FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,168 Thursday November 10 1983 D 8523 B

Rebel shells break Arafat's ceasefire, Page 4

NEWS SUMMARY

British position on HK shifts

Britain is believed to have dropped its stand that it should have a continuing administrative role in Hong Kong.

That new approach is not intended as an irrevocable concession but is aimed at helping progress in talks with China over the future of the colony.

Britain's priority is that there should be a settlement that would provide for future stability and prosperity in Hong Kong. Negotiations, which centre on the expiry of the UK lease over most of the territory in 1997, resume in Peking on Monday. Page 20

Kohl-Thatcher pact

West German Chancellor Helmut Kohl and UK Premier Margaret Thatcher agreed in Bonn that the Geneva missile restriction talks should continue after the deployment of cruise and Pershing II weapons in Europe had begun. Page 20

Industrialist seized

Mr Freddie Heineken, chairman of the Heineken brewery, was kidnapped last night in Amsterdam with his chauffeur, by four masked men.

Grenada's new team

Grenada Governor General Sir Paul Scoon named an eight-member administration to govern the island until elections are held. Grenadian economist Alistair McIntyre, deputy chairman of Unctad, will be leader. Page 5

Earthquake in Italy

An earthquake measuring 5.8 on the Richter scale shook northern Italy. About 50 people in Parma were slightly injured.

Greeks shun Wall

A Greek parliamentary delegation left West Berlin after refusing to pay the customary visit to the East German-built Berlin Wall.

NF election bid

The French National Front, which has achieved success in local elections by playing up racial issues, is to stand in the European elections in June. Page 2

Botswana clash

Botswana said an army patrol came under fire from intruding Zimbabwean troops and helicopters about 2½ miles inside its northern border, but suffered no casualties. Zimbabwe denied the report.

Kangaroo meat trial

Six meat wholesalers and a veterinarian went on trial in Mainz, West Germany, accused of illegally selling 3,500 tonnes of kangaroo, antelope, donkey and other meats to sausage makers and works canteens.

Ants eat nest egg

A cotton farmer who buried 2,000 Kenyan shillings ($150) he had saved for his wedding lost it all when white ants ate through the bank notes.

Briefly ...

Vietnam estimates that 1.5m are homeless after coastal storms and floods.

Britain's Queen Elizabeth returns to Kenya today for her first visit since February 1952, when her father King George VI, died.

Iran issued a stamp marking the fourth anniversary of the seizure of the U.S. embassy in Tehran.

Telecom union loses UK appeal

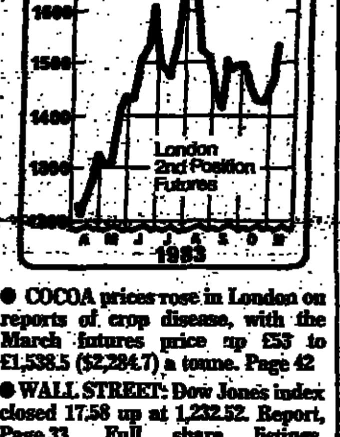
● Three High Court judges in London ordered British Telecom engineering workers to stop their policy of non-co-operation with Mercury, the new private telecommunications rival. Page 9

● DOLLAR weakened slightly. It fell to DM 2.67 (DM 2.677), FFr 8.13 (FFr 8.1375), SwFr 2.17 (SwFr 2.175), and Y235.55 (Y235.9). Its Bank of England trade-weighted index was down from 128.2 to 127.9. In New York it closed at DM 2.6612, SwFr 2.661, Y234.85 and FFr 8.1028. Page 43

● STERLING rose 5 points to $1.485, but fell to DM 3.9675 (DM 3.975), FFr 12.07 (FFr 12.075), SwFr 3.225 (SwFr 3.23) and Y350 (Y350.5). Its trade weighting was down from 84.1 to 83.9. In New York it closed at $1.487. Page 43

● GOLD rose $1.75 in London to $383.625. In Frankfurt it rose $1 to $383.25, and in Zurich it went up $1 to $383.5. In New York, the Comex November settlement was $381.8. Page 42

● LONDON: FT Industrial Ordinary index was 1.7 up at 721.8. Government securities showed minor rises. Report, Page 37. FT Share Information Service, Pages 38, 39.



● COCOA prices rose in London on reports of crop disease, with the March futures price up £53 to £1,538.5 ($2,284.7) a tonne. Page 42

● WALL STREET: Dow Jones index closed 17.58 up at 1,232.52. Report, Page 33. Full share listings, Pages 34–36.

● TOKYO: Nikkei Dow index closed 22.16 down at 9,2971.1. Stock Exchange index edged down by 0.33 to 682.64. Report, Page 33; leading prices, other exchanges, Page 36

● MOTOR INDUSTRY: General Motors is to set up a light commercial vehicle assembly plant in Nigeria. Daimler-Benz is to produce engines in Indonesia. Page 8; BMW is opening its first overseas assembly plant, in South Africa. Page 21

● J. SAINSBURY, the UK grocery leader, reported pre-tax profits for the 28 weeks ended October 8 up by 28 per cent at £62.4m ($92.7m). Lex, Page 20; Details, Page 28

● CINCINNATI MILACRON, U.S. machine tool maker, reduced third-quarter loss from $5.4m to $2.9m on sales 21 lower at $152.4m. Sales were 54 per cent ahead of a year ago.

● PLESSEY of the UK has settled out of court its copyright dispute with U.S. telecommunications group Rolm and is now free to market its private branch exchange in the U.S. Page 20

● TEXAS OIL AND GAS, independent U.S. oil producer, lifted net income by 20 per cent to $295.7m in year to August 31. TXO also reported a sizeable rise in oil and natural gas reserves.

● SOUTH AFRICAN Breweries, which has a monopoly, reported pre-tax and pre-interest operating profits for the half ended September 14.4 per cent down at R154.1m ($131.3m). Page 22

● EASTMAN KODAK, the U.S. photographic equipment manufacturer, reported a sharp fall in net profits from $412.1m to $229.1m or $1.39 a share in the third quarter.

Ceasefire declared in Tripoli

BY PATRICK COCKBURN IN BEIRUT

A CEASEFIRE between the rival Palestinian factions was declared last night in Tripoli after a day of heavy fighting.

The truce followed intensive efforts by Saudi and Kuwaiti Foreign Ministers in Damascus to arrange an end to hostilities between Palestinians loyal to the leadership of Mr Yassir Arafat, the Palestine Liberation Organisation chairman, and rebel PLO units supported by Syria.

In a week of fighting Mr Arafat's men have been pushed back into a shrinking pocket of territory around Tripoli. They were yesterday struggling to control the Beddawi refugee camp, on the northern outskirts of the city, against more heavily armed Palestinian units backed by Syrian artillery.

It is not clear how long the truce will hold, but it would be difficult for the Palestinian rebels led by Col Abub Mousa to retain much political credibility if they had to fight their way into Tripoli in order to destroy the hard core of Palestinians loyal to Mr Arafat.

Syria may also feel it embarrassing to be seen by other Arab states as intent on destroying the old PLO leadership.

Earlier in the day a PLO spokesman in Tripoli said that loyalist units had defeated an attack by the Hittim Brigade, a Palestinian unit under Syrian control, and that 60 men had defected to their side.

The assault on Baddawi came as Sheikh Sabah al Akmed al Sabah the Kuwaiti Foreign Minister, returned to the Gulf Co-operation Council meeting in Qatar with agreement on a ceasefire in principle but not in practice.

His arguments were reinforced by the presence in Damascus of Prince Saud al-Feisal, the Saudi Foreign Minister, who also urged Syrian President Assad and his Palestinian ally not to close in for the kill.

Mr Arafat said earlier in the day he was prepared to accept a ceasefire whenever the Syrian-backed Palestinian rebels stopped shooting.

His offer of a ceasefire was made response to local pressure. Militia groups and parties representing Tripoli's half a million predominantly Moslem inhabitants are eager to avoid a pitched battle in the streets of their city. Mr Arafat is eager to have the military support of Islamic fundamentalist militiamen, who are traditionally hostile to the Syrians.

Syrian soldiers man checkpoints to the south of Tripoli and could presumably reinforce these positions if necessary. At the same time, street fighting in a city the size of Tripoli could go on for a long time, and Mr Arafat's men seem well armed. They say they have received 1,000 tons of arms and ammunition from Algeria

Some of Tripoli's many militia groups are pro-Syrian, but most are Sunni Moslem and bitterly hostile to Damascus.

Report from Tripoli, Page 4

RTZ buys $135m North Sea stakes

BY IAN HARGREAVES AND RICHARD JOHNS IN LONDON

Rio Tinto-Zinc, the London-based international mining and industrial group, led the way yesterday in an important round of North Sea oil deals, agreeing to pay £90m ($135m) for stakes in British Petroleum's Forties field and in the Maureen field consortium headed by Phillips Petroleum.

That came as a British minister said that the Government was discussing 20 possible oil and gas developments with companies active in the North Sea, in addition to six expected to be approved before the end of this year.

RTZ said it would pay British Electric Traction £60m for a 5 per cent stake in Maureen and holdings in 13 nearby non-producing blocks.

At the same time, RTZ confirmed that it was one of 19 successful bidders in the £348m sale by BP of 12.25 per cent of its share in the Forties field. RTZ will buy four units in Forties – the equivalent of 1 per cent of BP's holding – for £30m.

For RTZ, yesterday's moves represent a big step in its diversification into oil and gas, financed by a £192m rights issue earlier this year.

Currently, the company has only small oil interests, involving North Sea production of 5,000 barrels a day and reserves of 43m barrels.

Forties is currently producing 447,000 barrels a day, with reserves of 760m barrels. Maureen production is estimated to peak at 70,000 b/d.

BP did not name the successful bidders in the Forties tender, but three companies announced they had been offered units: Charterhouse Petroleum, with five units; Candecca with two and Charterhall with one. Each unit represents a 0.25 per cent stake at a price of £7.5m.

The other successful bidders are reliably understood to be: Elf (six units); Texaco (four); Ultramar (four) and Sovereign Oil and Gas (two).

The following companies have each been offered a single unit: Union Jack Oil; Berkeley Exploration and Production; Viva Petroleum; Saxon Oil; Century Power and Light; Industrial Scotland Energy; Plascom (a Tarmac subsidiary); Norsk Hydro; Dawsea; Norwich Union and Hispanoil.

In all, bids were accepted for 39 units. The British Energy Secretary has the right to veto any of the names on the list, but since 70 per cent of the purchases will be by British companies, no problems are expected.

In addition to the 39 units, BP has sold separately two 1 per cent stakes in Forties for £46m, giving the transaction a total gross value of £338m. After tax, the deal is worth about £263m to BP.

RTZ is in a good position to take advantage of the tax offset possibilities of both deals; setting its offshore exploration costs against petroleum revenue tax and its advance corporation tax against enhanced UK earnings.

The RTZ-BET deal, however, cannot be completed until late December, since BET's partners in Maureen – Phillips, Petrofina, Agip, Century Power and Light and Ultramar – have the right to make a pre-emptive bid.

Mr Alick Buchanan-Smith, Minister of State for Energy, said in an interview yesterday that he expected to approve the following projects before the end of the year: Sun Oil's Balmoral oilfield: British Petroleum's South-East Forties; Texaco's as yet unnamed prospect in block 14/20; BP's "swaps" technique for exploiting isolated small structures from a moving tanker; Shell's South-East Indefatigable gasfield; and Hamilton Brothers' three gas structures (Esmond, Forbes and Gordon) in Quadrant 43.

Differences between the Department of Energy and BP as to how South-East Forties should be exploited have yet to be completely resolved, Mr Buchanan-Smith acknowledged. He said the department and the company "were still trying to make sure the technical facts were agreed." The Government says a platform is required, while BP wants to instal sub-sea wells to be connected with existing Forties field installations.

U.S. and Japan agree on new role for the yen

BY REGINALD DALE, U.S. EDITOR IN TOKYO

THE U.S. and Japan will today announce an agreement to encourage wider international use of the yen. The move is intended to strengthen the Japanese currency against the dollar, senior officials announced in Tokyo.

Mr Yasuhiro Nakasone: currency accord

The agreement, worked out over the past two months by leading financial officials of the two countries, is to be presented as a centrepiece of President Ronald Reagan's trip to Japan, which, the White House said, got off to a "warm start" yesterday.

The first round of talks between Mr Reagan and Mr Yasuhiro Nakasone, the Japanese Prime Minister, concentrated on trade and economic issues.

U.S. officials emphasised that there would be no breakthroughs on specific trade measures, but they saw the talks as contributing further impetus to efforts to resolving long-running commercial disputes.

Mr Reagan did not regard himself as a "trade negotiator," the officials said.

The U.S. team said that the aim of the currency discussions would be to strengthen the yen against the dollar by opening up Japanese capital markets. Further studies would continue in the weeks ahead.

Today's agreement will essentially summarise "measures already taken and envisaged," U.S. officials said. They attached importance to the Japanese recognition that the value of the yen should reflect the country's international economic role.

Mr Nakasone was understood, however, to have argued that high American interest rates were contributing to the dollar's strength. That point was accepted by Mr Reagan and Mr George Shultz, the U.S. Secretary of State, the chief adviser accompanying him on his week-long tour of Asia.

U.S. officials in Tokyo insisted that the under-valued yen was the "single principal cause" of the U.S. trade imbalance with Japan, which is estimated to reach well over $20bn this year.

It was thought, however, that today's agreement would not necessarily lead to any immediate big changes either in the yen-dollar exchange rate or in capital flows.

In its economic package last month, and again this week, Japan has announced technical measures to enhance its currency's value. These include changes in foreign-exchange dealing rules, and floating Japanese bonds in the U.S. markets.

Editorial comment, Page 18

European venture capitalists plan joint financing

By Paul Cheeseright in Brussels

EUROPEAN venture capital companies plan to co-operate in offering international finance to small and medium-sized high-technology concerns developing products for marketing on an EEC scale.

The European Venture Capital Association, launched yesterday in Brussels, comprises 35 member companies with current portfolio investments totalling some $1.3bn. They include British, Belgian, Danish, French, West German, Irish, Italian and Dutch companies.

The association is regarded as a response by the EEC to the difficulties which its fragmented market poses for companies with new products. By comparison, American companies find it easier to raise finance and market products on the U.S. market.

The type of co-operative financing envisaged by the new group – with venture capital companies taking equity stakes across national borders within the EEC – has so far taken place only in isolated cases.

M Christian Cleiftie, president of the association and deputy director-general of Sofinnova, a Paris-based venture capital company, said the new association would "help put entrepreneurs throughout Europe in contact with the people who have the funds, the expertise and the incentive to make risk investments in innovative projects with Europe-wide growth potential."

The EEC Commission has helped in establishing the association and is providing an undisclosed sum to help with the starting costs.

It is expected to take some months before the association is fully active. The first aim is to improve the flow of information among the member companies.

"You cannot expect people to syndicate their efforts unless they know each other well," Mr Raymond Appleyard, the senior Commission official working on the establishment of the new group, said.

The establishment of the association is part of a wider process in the EEC designed to encourage the entrepreneurial and research activities of small companies.

The European Commission plans to spend more than $600m in five years, by funding half the costs of information technology research projects undertaken by companies and institutions in different EEC states, is part of the process. So, too, is its request for about $85m of funds to lend to small companies – the so-called Innovation Loan.

IBH associate group Wibau applies for debt protection

BY JOHN DAVIES IN FRANKFURT

WIBAU, the West German construction equipment company, yesterday followed the IBH group in applying to the courts for protection from its creditors.

IBH, built up and headed by Herr Horst-Dieter Esch, has a shareholding of about 36 per cent in Wibau.

Herr Roland Spicka, the Wibau chief executive, has been at pains to distance himself from IBH, which turned to the courts because of payments difficulties last Friday.

With its credit problems, however Wibau was forced to concede defeat and apply to the district court in Gelnhausen under prodeceedings known as Vergleich (composition).

Its future, like that of IBH, now rests on whether it can convince the court and its creditors that it has some sort of viable future and that most of its debts should be written off to allow it to continue business in some form.

Wibau said last night that its problems could not be compared with those of IBH. The group is profitable, and, as analysts at the Economist Intelligence Unit in London point out, it dominates world markets in asphalt mixing plant, taking some 10 per cent of total sales last year. Through its Blaw-Knox subsidiary in the UK it also holds about 10 per cent of world asphalt finisher sales.

Wibau made a net profit of DM 8m on sales of DM 275m ($103m) last year.

Wibau employs about 1,200 workers in the small town of Gründau, which is heavily dependent on the company for jobs.

When IBH turned to the courts Herr Spicka was quick to point out that Wibau was not a subsidiary. He has also expressed confidence that the Hesse state government would help it to keep production going.

Wibau has had a close association, however, with IBH which was instrumental in setting it on its feet in recent years.

In 1979, when Wibau made a DM 13m loss, the majority shareholding was owned by the private bank of Schröder, Münchmeyer, Hengst (SMH).

Much of the SMH holding was taken over by IBH, but later capital moves left IBH with only a minority holding. Herr Spicka, who had previously been in the IBH management, has held a personal stake of about 20 per cent in Wibau.

The problems of the IBH group have come to a head after the West German banking system intervened last week to rescue SMH.

SMH has a 7.5 per cent stake in IBH and has provided major financial backing for the group.

About 20 banks, together with the banking system's deposit guarantee fund, have agreed to provide aid of about DM 630m to enable SMH to keep its bank business going.

The Federal Banking Supervisory Office yesterday called a meeting with other banks, which had smaller credit lines to SMH, to discuss how they should contribute to the rescue.

The Supervisory Office said later that the banks had agreed to continue their credit lines to SMH as part of the rescue operation.

The IBH management is due today to meet representatives of the banks now backing SMH to discuss Herr Esch's concept of how the group can continue. His concept involves keeping its West German units but discarding units abroad with more serious problems.

German banks warn against over-reaction, Page 2

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EUROPEAN NEWS

WARNING FROM BANKERS IN WAKE OF SMH AFFAIR

Bonn urged not to tighten bank laws

BY JONATHAN CARR IN BONN

THE Federal Association of German Banks has strongly warned the authorities against "over-reacting" with new and tougher laws to the near collapse of Schroeder, Muenchmeyer, Hengst (SMH), a leading private bank.

Dr Christian Schroeder-Howenwarth, the Association's president, said yesterday the banking community would ponder what lessons should be drawn from the affair. But there was so far no evidence that SMH had overstepped existing legal limits on lending, and no new law could ensure that a similar case would not recur.

Ultimately, he said, it was up to a responsible management to ensure that the bank kept its lending risks within bounds. He was firmly supported by Dr Wilhelm Christians, joint head of Deutsche Bank, who pointed out that greater regulation in the United States had not prevented similar cases to that of SMH.

The banking association's president played a key role in the emergency rescue package of more than DM 600m (£150m) put together by a group of banks last week to stop SMH failing. A collapse would have seriously undermined confidence at home and abroad in the whole West German banking system.

With capital of DM 110m of its own, SMH is understood to have lent more than DM 800m to the troubled IBH building machinery group which sought court settlement proceedings last Friday to try to avoid bankruptcy.

Bankers explained that SMH loans had come from various offshoots of IBH, partly in Switzerland. The loans thus did not qualify under law as credit to a single client, although their soundness ultimately depended on the health of IBH alone.

They added that West German banking supervisors had scrutinised the SMH-IBH relationship — including the lending to foreign offshoots — several times in recent years but found nothing amiss.

The supervisors complain they are hampered because the business of Luxemburg subsidiaries is not consolidated in the accounts of the parent West German banks. Despite some extra information provided voluntarily by the bank, the authorities feel they cannot get a full picture of the lending risks.

WIBAU seeks court protection, Page 36

The West German inflation rate slowed down further last month, writes John Davies in Frankfurt. The cost of living index in mid-October was 2.6 per cent higher than a year earlier, according to the Federal Statistical Office.

In June the inflation rate was running at only 2.4 per cent, but picked up to 3 per cent in August, before falling two months in a row. One of the heaviest increases is in rents, which on average were 5 per cent higher last month than a year earlier.

The inflation rate is running well within the expectations *of the Government and the Bundesbank. It is expected to* show an increase of about 3 per cent overall this year, compared with 5.3 per cent last year and 5.9 per cent in 1981.

Pitched battle flares in ranks of coalition

BY JAMES BUCHAN IN BONN

THE SNIPING between the junior members of Chancellor Helmut Kohl's coalition in West Germany has broken out into open warfare, posing the most serious threat to his authority since he came to power a year ago.

Grenada is the spark that has ignited the latest flare-up.

Last week, Herr Carl-Dieter Spranger, the right-wing Christian Social Union (CSU) *parliamentary State Secretary* at the Interior Ministry, undertook a secret mission to Grenada to the subsequent fury of Herr Hans-Dietrich Genscher, the Foreign Minister and a Free Democrat, and without even consulting the Chancellery, according to the Christian Democrat Herr Kohl.

The affair would have only protocol significance had not Herr Franz-Josef Strauss, the CSU chairman left in the Bavarian cold when Herr Kohl formed his government, left no doubt that he wants Herr Genscher's job, or one at least as good.

The presence of Herr Strauss in the cabinet would break the Kohl-Genscher axis on which the Government turns and have untold consequences for West German policy.

The Bundestag today *will* hear parts of Herr Spranger's eight-page report. This proves that the island—with the aid of Cubans, Bulgarians, North Koreans and East Germans—was being turned into an "aircraft carrier" to be used against the U.S., according to Herr *Friedrich Zimmermann*, the CSU Interior Minister.

"When our main ally says it is a case of international terrorism, then it is," he said yesterday. This is not the view of either Herr Kohl or Herr Genscher, both of whom have said that, if consulted, they would have advised the U.S. against invading Grenada.

Herr Kohl, who was on a Far East tour when the whole affair blew up, gives every impression that he hopes it will go away. "We must look to the future," he said at a news conference in Bonn with Mrs Margaret Thatcher, Britain's Prime Minister.

However, the CSU is not letting up. Party functionaries in Munich are now attacking Herr Genscher for appointing politically "soft" ambassadors.

The FDP is not in a strong condition, Herr Zimmermann, the most energetic, if not the luckiest, minister in Bonn, is drafting social legislation which the party would never have swallowed in its former alliance with the Social Democrats.

Count Otto Lambsdorff, the FDP Economics Minister, is the subject of intense speculation now that the public prosecutor has completed investigations into party contributions from business.

Meanwhile, Herr Kohl must find a candidate to take over from President Kary Carstens next May. The CSU has hinted that Herr Gerhard Stoltenberg, the Finance Minister, would be a good man for the job, thus reviving the old notion that the Economics and Finance portfolios could be merged for Herr Strauss.

National Front to fight EEC elections

By David Housego in Paris

THE FRENCH National Front, the extremist right-wing organisation that has been campaigning on racial issues, announced yesterday that it would field candidates in all forthcoming by-elections and in the European elections in June.

The move comes in the wake of the Front's recent success in polling 17 per cent of the vote during the recent municipal election at Dreux and 9.3 per cent in last Sunday's first round of municipal elections at Aulnay-sous-Bois outside Paris.

The purpose is to force the main opposition parties—the neo-Gaullist RPR and the centrist UDF—into accepting the Front as an electoral ally.

After Sunday's vote at Aulnay, where the Front just failed to get the necessary 10 per cent of the vote required to carry it through to the second round, the RPR of M Jacques Chirac declined to accept it as an ally this Sunday.

The decision has bitterly angered M Jean-Marie Le Pen, the Front's leader, who yesterday attacked M Chirac as "a radical Socialist" and the "Prime Minister of Mitterrand."

The risk that M Le Pen takes is that in fielding candidates in all elections, as opposed to constituencies where racial issues are strong, he could see his support evaporate.

His gamble is that he will do well enough to bargain with the other opposition groups for a *place on a combined platform.* M Le Pen claimed yesterday to have an 18 per cent following in the electorate.

His move is embarrassing for the opposition, which suffers already from a dispute for leadership

M Le Pen said he would be a candidate *himself* in a forthcoming by-election at Morbihan.

Chadli visit seals good relations with France

By Francis Ghiles in Paris

AS 1,500 representatives of the Algerian community in France pressed into the ballroom of the Hotel Intercontinental on Tuesday to greet the presidents of the two countries, what had been planned as an orderly reception turned into a wild meeting.

When President Chadli Benjedid was finally allowed to speak, he urged his fellow nationals to respect the laws of their host country and thanked President Francois Mitterrand for his efforts to ensure the safety of Algerian citizens in France.

M Mitterrand who, as Interior Minister when the Algerian "rebellion" broke out in 1954 had issued the first orders to ensure peace and quiet in Algeria, replied that he looked forward to discussing matters of mutual interest "as a brother" and hoped that racism and intolerance could be contained.

Emotion overcame the guests at that point, an extraordinary moment for many of those present who, between 1954 and 1962, had planted bombs in French cities or been tortured by the French security forces.

President Chadli leaves Paris this morning for Rome after a three-day state visit — the first by an Algerian President — and during which the good relations between the two countries have been sealed.

The climax came yesterday when he drove up the Champs Elysées, festooned with Algerian and French flags, with President Mitterrand to lay a wreath on the Tomb of the Unknown Soldier, under the Arc de Triomphe. "For all one knows, the unknown soldier may be from my country," he mused, remembering the tends of thousands of Algerian soldiers who died for France in two world wars.

The visit went off without any *overt sign of hostility from* French people, though it came as a shock to some to hear the Algerian national anthem at Orly Airport on Monday morning.

Twenty-one years ago it was the battle cry of the Algerian Front de Liberation National

The good relations are also important for the 800,000 Algerians living in France, where many were born. They are the single most important group of overseas immigrants and, as such, the prime target for growing racial tension in the country.

Mandate battle, Page 38.

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German-Soviet trade links to dominate Lambsdorff visit

BY LESLIE COLITT IN BERLIN

COUNT OTTO Lambsdorff, West Germany's Economics Minister, leaves today for a week in the Soviet Union to discuss the future of trade between the two giants of East-West commerce.

Despite threatening political clouds, the outlook for trade between the two countries is regarded by both sides as promising. West German exports to the Soviet Union in the first eight months of this year jumped to DM 7.6bn ($2.86bn) from DM 6bn the same period last year. The rare deficit which West Germany had in its trade with Moscow last year of DM 2bn (West German imports of DM 11.3bn and exports of DM 9.3bn) appears likely to be turned into a surplus this year.

Herr Lambsdorff will attend a five-day meeting of the joint West German-Soviet Commission on Economic Technical and Scientific Co-operation. In his delegation are such stalwarts of trade with Comecon as Herr Bertold Beitz, chairman of Krupp's supervisory board and Herr Otto Wolff von Amerongen, president of the German Chamber of Industry and Commerce and chairman of the Eastern Trade *Council of German Industry.*

One of the topics at the meeting will be possible West German input for the Soviet Union's crash programme to improve sagging agricultural production. A member of the German delegation is Herr Arend Oetker, chairman of the West German Food Industries Society who is accompanied by private and government agricultural specialists. A rising percentage of West German exports to the Soviet Union consists of farm products.

Other topics will include expanding co-operation in the chemicals and energy sectors. The Soviet Union would like West German industry to help in the exploitation of the Yamburg Peninsula gas field which the Soviets say will one day be the second largest producer after the Urengoi field to the south. However, West German industrialists and Government officials doubt whether it should increase its purchases of Soviet gas beyond the amounts already agreed on.

The Soviets are telling West German businessmen that trade between the two countries will continue *to flourish even if new U.S.* missiles are stationed in West Germany, although they can expect a sharp, but brief, reaction from Moscow after deployment.

The basic appeal to West Germany of the Soviet market is that the two countries' economies are complementary. Moscow almost exclusively exports energy and raw materials to West Germany, as it did to the German Reich at the turn of the century, while the Soviet Union remains one of the few dependable markets for large German turnkey industrial plants.

Ireland 'unable to support' high public spending level

BY BRENDAN KEENAN IN DUBLIN

EVIDENCE that Irish Government spending has far outstripped the country's ability to pay for it has been produced by the Confederation of Irish Industry. Total government spending, at 66 per cent of gross domestic product, is among the highest in the OECD.

Only countries such as Sweden and Denmark have comparable levels. However, such countries have higher per capita incomes and the Confederation has tried to compare like with like by extracting the figures for other OECD countries when they had the same per capita income as Ireland will have this year—approximately $4,500 a year.

On this basis, Britain had a similar per capita income in 1963 but in that year UK government spending was 34 per cent of GDP. Sweden attained Irish income levels as long ago as 1956, when its government spending was only 30 per cent of GDP.

The Confederation concludes that Irish spending is without precedent in the West given its level of income. It can find no clear explanation, saying that even Ireland's young population and high dependency ratio do not account for the difference.

GOVERNMENT SPENDING IN SELECTED OECD COUNTRIES IN THE YEARS THEY HAD EQUIVALENT OF CURRENT IRISH INCOME

Country	Year	Total govt. spending as % of GDP
Britain	1963	34
U.S.	1950	25
Japan	1969	19
W. Germany	1960	32
Netherlands	1962	34
Ireland	1983	66

Source: Confederation of Irish Industry

Some observers have suggested that Ireland has tried to keep pace with the welfare provisions of other European countries, even though it is 20 years behind most of them in terms of economic development.

Prospects for the Irish economy over the next decade, says the Confederation, depend crucially on reducing the levels of government spending. It says the high levels of taxation which have resulted are a serious disincentive to investment.

EUROPEAN NEWS

OVERSEAS NEWS

Cutting government's role in industry is aim of Elf's ex-chairman

Chalandon squares up to state again

BY PAUL BETTS IN PARIS

"I'M UNEMPLOYED and I don't think I'm the only one in France," remarked M Albin Chalandon the other night. But although the controversial and outspoken ex-Gaullist Minister and former chairman of Elf-Aquitaine, the state-controlled oil company, is still out of a job, he is beginning to make a return on the public scene.

Predictably, for someone who has waged a long campaign against dirigisme and state intervention in business, M Chalandon has chosen to make his comeback with a crusade against the dominant role the state plays in industry. "The state, which is regarded in France as being infallible like the Pope, is at the root of the problem," he says.

M Chalandon himself was a victim of state intervention. He resigned from Elf after a blazing public row last June with M Laurent Fabius, the Industry Minister. Having successfully battled in the past against various Industry Ministers and their interventionist policies, he refused to accept M Fabius's terms to restructure the troubled heavy chemicals industry around Elf.

In the young Industry Minister, M Chalandon met his match. He was over-ruled; and although he was hoping to have his mandate at Elf extended for another two years until his retirement at 65, he was forced to step down.

For three months, he has been discreetly absent from the public scene. However, he now no longer regards himself as under any obligation to remain silent. Indeed, he is planning to use an increasing part of the coming weeks to take part in what he calls the general public debate in France. He will be addressing public meetings in Paris and the provinces.

He will also take part in a debate with M Jean Pierre Chevenement, the former Industry Minister and leader of the left wing of the Socialist party who fell from grace just before M Chalandon resigned. M Chevenement has always been the champion of state intervention in contrast to his successor, M Fabius, who claims to be far more pragmatic and market-orintated. But M Chalandon says he had a good relationship with M Chevenement, while his dealings with M Fabius were difficult, so say the least.

M Chalandon used the occasion of a small dinner organised

M Chalandon: comeback.

by the French managers' association, to Comité National de l'Organisation Francaise, to launch his crusade and to make his first public appearance since resigning.

He believes that state intervention damages the competitiveness of French enterprises because it distorts the laws of the market. "The state must not substitute itself for entrepreneurs. Its role should be limited to fixing broad guidelines," he says, adding that successful companies depend neither on the banks nor on the Government.

There are four basic rules to make French enterprises competitive, he says. Marketing and sales are more important than the technical side of a business. "In France, industry has been dominated by technicians making people forget that sales must come first." But sales must also be profitable.

M Chalandon says, in this respect, that he was disconcerted to hear M Jacques Delors, the Economy Minister, complain recently that the Peugeot motor group had been losing market share.

The third rule is to limit indebtedness to a reasonable level. "If debts had been controlled, French industry would not be in the current mess."

His fourth rule is the need to be internationally competitive. "We have been mediocre exporters," he claims. He also believes it is crucial to motivate employees and to create what he calls a sense of "corporate patriotism." To do this, people must be paid according to merit and everybody must be given a chance to climb up the corporate ladder.

"French business has suffered from a caste system," he says, referring to the dominant presence in top management of graduates from the so-called *grandes ecoles*.

M Chalandon argues vigorously against the practice of only appointing such people to certain key jobs. He says he did away with it at Elf. Indeed, his own appointment was deeply resented by "old boys" of the influential *Ecole Nationale Superieure des Mines de Paris*.

Until former President Giscard d'Estaing appointed him at Elf, the job was seen as the prerogative of a graduate of the *Corps des Mines* as the *Ecole* is also known. With the appointment, however, of M Michel Pecquer, a graduate of the *Corps* and former head of the French Atomic Energy Agency, to succeed him, the *Ecole des Mines* appears to have regained its influence.

M Chalandon also argues for the need to make French enterprises less hierarchial. They must learn to react more quickly to changing market circumstances, to rid themselves of a tendency to adopt what he calls "a civil service approach," and to be generally more outward-looking.

He acknowledges that, since the Socialists came to power in May, 1981, there has been a greater awareness of the problems of the economy and of industry in particular—"In the long term this could prove to be very positive." But, fresh from his own experience at Elf, he believes industry will ultimately be a loser if the state does not allow entrepreneurs to manage their enterprises freely.

His battle over the restructuring of the chemicals industry which led directly to his downfall is a case in point. From the beginning M Chalandon argued that Elf—with earnings of FFr 3.5bn (£291m) last year, the most profitable French public sector company—could only become the centrepiece of the loss-plagued heavy chemicals industry if given adequate financial backing from the state, its main shareholder, and freedom to close plants, lay off excess labour and shut down unviable activities. The Government, however, would only meet some of his conditions.

The state, he says, wants the best of both worlds. It wants enterprises to maintain high employment levels and also make profits.

M Chalandon sees a paradoxical situation developing. "The nationalised sector has become a victim of its own size and importance. It has become so large that the Socialists are now tarying to restrict it from growing even larger." This leads, he says, to a new kind of intervention in the affairs of state managers who are no longer so free to expand their businesses because of the fear of the state sector swelling further.

Last summer, for instance, the Government stopped the nationalised Saint-Gobain group from acquiring control of the private Compagnie Generale des Eaux, the leading diversified French water distribution company, because the deal would have been seen as another example of creeping nationalisation.

"The Left nationalised for ideological reasons but we must not now denationalise for ideological reasons," says M Chalandon. The state sector must be cut back, but for practical industrial and economic reasons.

He is careful, nevertheless, not to blame the Left for all the current problems of French industry. "My reproach to the Left is they did not see at the time the real state of the situation and did not do 18 months ago what they are now doing with their economic austerity programme," he says.

Had they adopted such a policy from the beginning, M Chalandon suggests, there would probably be a recovery now in France. "But I'm afraid what we have ahead of us is stagnation, or extremely modest growth if there is recovery elsewhere."

Poland's government faces price rise test

By Christopher Bobinski in Warsaw

THE Polish Government faces this weekend one of its most important political tests since martial law was lifted when proposed higher food prices are revealed.

The new prices, due to come into effect at the beginning of next year, are being announced for "consultation." This gives the authorities, who are committed to some measure of increase, the chance to test the public mood and moderate its proposals accordingly.

At least one senior government official said privately this week that they could result in public disorder.

Signs of protest against falling living standards are already apparent: about 1,000 people in Pulawy, south-east of Warsaw, last month refused to pay what they considered excessive rent increases.

The prices proposals come as inflation has been growing at a rate of nearly 30 per cent this year.

Against this background, the Communist party central committee meeting on the economy, scheduled for the middle of this month takes on crucial significance. General Wojciech Jaruzelski, Poland's leader, could take the opportunity to channel discontent against the Government's economic administration and open the way for widespread changes among top economic decision-makers.

● A Polish parliamentary sub-committee has backed an official proposal to extend the amnesty for underground activists until the end of this year. The move has now to be voted by Parliament in full session.

Pakistan dashes hopes of solution to Afghan crisis

BY MOHAMMED AFTAB IN ISLAMABAD

PAKISTAN now admits that a solution to the Afghanistan problem is not in sight, ending the hopes raised by the Islamabad Government that an early breakthrough to the four-year-old crisis was in sight.

Officials now believe that the prospect is for a prolonged stalemate. They foresee a continued presence of 115,000 Soviet combat troops in Afghanistan overshadowing the Gulf and south Asian security region for the foreseeable future.

Pakistan Foreign Minister Sahibzada Yaqub Khan said in a recent policy declaration that this situation would probably remain unchanged for some time irrespective of Soviet chances of making any military breakthrough in their "no-win" fight against the Islamic insurgency.

The Foreign Minister told the country's Federal Advisory Council that the Afghan crisis involved complex issues, "and quick, dramatic results should not be expected. Much depends on the Soviet will to honour their commitment to withdraw from Afghanistan."

Furthermore, Ministry officials add privately that they can see absolutely no sign of any Soviet intention to pull out of Afghanistan, and Western diplomats feel that the prospect of a continued Soviet presence can only be reinforced as long as doubts persist over the health of Mr Yuri Andropov, the Soviet leader.

All this runs contrary to the hopes generated last year by Pakistan President Zia Ul-Haq, who claimed that he saw "a fresh approach" and a new hope for an Afghan solution following talks with the Soviet leader, who had been reported to have opposed to the Afghan intervention before coming to power.

Meanwhile, the UN-sponsored talks between Afghanistan and Pakistan, while still deadlocked, have managed to single out their three main differences over any Soviet withdrawal. These, according to Mr Yaqub Khan, are:

● a "reasonable" time-frame for the withdrawal of Soviet troops.

● the nature and scope of international guarantees for an independent Afghanistan, possibly involving the U.S., China and Pakistan, all of who the Soviet Union has accused of supporting the insurgency.

● arrangements for consultations with Afghan refugees regarding conditions of their return home.

Mr Yaqub Khan said a withdrawal would "remove the root cause of turmoil in Afghanistan, restore its independent and non-aligned status and establish conditions for the return to their homes of the refugees," which now total almost 3m in Pakistan, with another 1m in Iran.

Assam faces prospect of revived sectarian turmoil

BY K. K. SHARMA IN NEW DELHI

STUDENT LEADERS in the troubled north-eastern Indian state of Assam, where more than 3,000 people were killed in election and sectarian violence early this year, have decided to resume their agitation for the expulsion of "foreigners" (mostly Bengalis) from the state.

The decision follows the powerful bomb explosion on Monday in the railway station at Gauhati, capital of Assam, in which at least 17 people were killed and about 60 injured.

Officials in New Delhi are not certain whether there is a link between the student agitators and the bomb explosion, which could have been the work of the group of terrorists operating in the north-east tribal region where secessionist movements have been organised in five of the seven states.

The fresh eruption of terrorist activity comes just before Prime Minister Indira Gandhi's visit to Assam tomorrow to lay the foundation of a bridge over the Brahmaputra river.

The incident could trigger more violence in the state, which has been relatively quiet since the January elections won by Mrs Gandhi's Congress (I) Party, because of an Opposition and popular boycott of the poll. The results have never been accepted by the Assamese people, but a Congress Government has been able to function because the protest movement ran out of steam after the election.

Its planned revival, with the help of student organisations in other parts of India, coincides with the continuing turmoil in the north-western state of Punjab, where the National Government is pre-occupied with Sikh terrorist activity organised by extremists to press religious and political demands for more autonomy.

Large number of Government para-military forces are deployed in Punjab to comb out the Sikh extremists.

Peace fuels E. German tensions

BY LESLIE COLITT IN EAST BERLIN

CHURCH and state in East Germany are celebrating the 500th anniversary today of the birth of Martin Luther, the Protestant reformer, at a time of rising tensions between the two over the church-supported peace movement.

Bishop Gottfried Forck of East Berlin has criticised the arrest of dozens of people last Friday to prevent presenting petitions to the U.S. and Soviet embassies calling for unilateral reduction of their missiles in Europe.

Church leaders will gather today in Lisleben, where Luther was born and died, for religious services and an outdoor celebration to be broadcast live on East and West German television. Foreign church dignitaries attending will include the Archbishop of Canterbury, Dr Robert Runcie, and Cardinal Johannes Willebrands, of the Netherlands who is representing the Vatican.

In East Berlin yesterday, the country's leaders lauded Luther's secular contributions, referring to him as one of the "greatest sons of the German people." The greatest son officially is Karl Marx.

However, friction in recent months over the peace movement has soured an improving relationship between the state and the Protestant Church. The improvement began in 1978 when President Erich Honecker told Protestant churchmen that satisfactory relations could be established if they tended to their calling and left the Government to its. The German Protestant Church has traditionally refrained from interfering in affairs of state and the churchmen readily agreed.

The Government's opposition to the peace movement has led it to deport to West Germany dozens of activists. The church has distributed the movement's "Swords into Ploughshares" badges but agreed to restrict their circulation.

PATRICK COCKBURN REPORTS FROM THE OUTSKIRTS OF TRIPOLI

Rebel shells shatter Arafat's ceasefire

BENEATH the vast pall of smoke from the burning oil refinery in Tripoli, guerrillas still loyal to Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, were still fighting desperately yesterday in the outskirts of the city.

Officially, Mr Arafat has accepted a cease-fire at the request of a 45-strong committee representing local militias and parties. In reality, the fighting continues to rage. Mr Arafat's officers claim that 154 Syrian artillery pieces are pounding their positions in and around Beddawi refugee camp on the coast road running north from Tripoli.

Driving towards Beddawi, I could see bands of guerrillas working with bulldozers to build earthworks. Although there are many loyalist fighters, carrying Kalashnikovs and rockets, they seem too few to defend a city of half a million people.

The Katyusha rockets launched from the port area of Tripoli make an impressive crash when fired, but are feeble, compared with the weight of ordnance at the command of the anti-Arafat unit and its Syrian backers.

A little short of Beddawi on a deserted stretch of road, my car suddenly became bogged down, up to the hub caps, as we reached a patch of ground turned to swampy ooze by a broken drain. Some PLO gunmen refused to help us push it out and the good sense behind their discretion became *apparent, as 155 mm shells* began to land close by.

One exploded about 300 yards away and then whoever commanded the artillery piece a few miles to the north began to walk shells up the road towards us. A charitable television crew stopped to pick us up as we abandoned our car, but, as they did so, another shell landed 60 yards away, smashing the car's back window.

Returning to the centre of Tripoli, the danger is less, although shells were beginning to fall around Yassir Arafat's headquarters. The UN is distributing food, but barrows heaped with potatoes and bananas show that the city is well supplied.

Hospital doctors say they have enough drugs, but it is unlikely that the city's five hospitals could cope with the casualties inevitable in a full-scale assault on the port city.

Already, surgeons are fully stretched. A nurse, who had just removed the leg and thigh of an 11-year-old boy crushed when his parents' house at Beddawi was hit by a shell, said such radical surgery could have been avoided, if the doctors had time for prolonged operations.

Yassir Arafat at the Baddawi refugee camp.

Outside the Islamic hospital, Mr Arafat turned up to visit the wounded. "We have already accepted the ceasefire," he told newsmen, who besieged him, as he moved from room to room. Beneath a khaki forage cap, the smile on his grizzled face looks no different than it did last year during the siege of Beirut, except he has stopped giving V for Victory signs.

Like most Arafat statements, the acceptance of the ceasefire means something rather *different than it appears. His* official spokesman, Mr Ahmed Abdul Rahman, said that the local co-ordinating committee had asked Mr Arafat on Monday to avoid fighting in Tripoli.

He had immediately declared a ceasefire, but with the right to shoot back. Since the Palestinian rebels and the Syrians supporting them continue to advance, this ceasefire makes little practical difference.

The PLO leaders, while not very optimistic, clearly hope that Saudi and Kuwaiti pressure on Syria will prevent a knockout blow against Tripoli. And if they do have to fight street-to-street, they will want the local militia groups, which previously controlled this overwhelmingly Sunni Moslem city, to fight with them.

Outside the Islamic hostel, a frozen-meat lorry hooked up to an electric motor hummed ominously. It is being used as a mortuary and corpses in plastic body-bags are occasionally added to those inside, or taken away by relatives

Doctors say that civilian casualties in the two nearby Palestinian refugee camps of Beddawi and Nahr al-Barid, inhabited by 45,000 people, are very heavy because their inhabitants are not as used to bomb and shellfire as Palestinians in camps further south, which have *often* been bombarded by the Israelis. People in the camps are slow to get into shelters or to disperse when shells start falling.

Ironically, Palestinians in this part of northern Lebanon have never been very political. A nurse who had worked in Beddawi for a year said that most people were desperate for the fighting to end, and are dismayed at being caught up in what may turn out to be Arafat's last stand.

Among the PLO fighters, the mood is different. Many regret that they did not make their stand last year in Beirut against the Israelis, rather than in Tripoli, against Palestinians and Syrians, but they look resolute.

"*We must fight here,*" said a bearded 23-year-old Palestinian gunman, guarding a headquarters building. He said he had been evacuated from Beirut to Greece last year, before returning to Lebanon via Syria. Caught now in the *shrinking pocket around Tripoli,* he seemed almost relieved to believe that there was nowhere left to retreat to.

U.S. naval force is massing

BY STEWART FLEMING IN WASHINGTON

THE REAGAN Administration is strongly signalling its long-term commitment to a solution in Lebanon despite Congressional doubts about the role of *U.S.* troops which have intensified since the bomb attack on the U.S. marine base in Beirut last month.

Among moves which it is felt will convey to the Syrians the strength of the U.S. commitment is the massing of a powerful U.S. naval force in the Mediterranean, a force which includes three aircraft carrier groups and about 300 warplanes.

Syria has already expressed concern that the U.S. might attack it in retaliation for the bombing of the marine headquarters. The U.S. has denied officially plans to attack Syria.

But officials continue to say that, while the Administration does not intend to lash out blindly, the intention stated by President Reagan to retaliate if and when the terrorists are identified still stands.

In its dealings with Israel, the U.S. has also been emphasising the strength of its commitment and the importance it attaches to its relationship

Israeli call-up exercise

ISRAEL began its first major public mobilisation exercise for five years yesterday, against a background of growing tension in the region, as Syria also called up its reservists, writes David Lennon in Tel Aviv.

Call-up slogans, such as "*hot* ice-cream, earrings, and blotting paper" broadcast over the radio summoned Israelis to report immediately to their reserve units.

Israel has been at pains in the last few days to assure Syria that it has no aggressive intentions. Mr Yitzhak Shamir, the Prime Minister, said yesterday: "We have no interest in waging war on anybody, including Syria."

But in Damascus there has been growing concern about a possible joint Israel-U.S. attack, especially as the Americans are building a massive armada of some 30 warships in the eastern Mediterranean.

Iran to demand larger oil quota

By Richard Johns

IRAN will demand a larger quota under the Organisation of Petroleum Exporting Countries' production sharing programme at its next full ministerial conference scheduled to begin in Geneva on December 6.

Dr Abbas Honardoust, one of Iran's Deputy Ministers of Oil, confirmed in Tehran yesterday that his country's delegation would insist on an increase in its present allocation of 2.4m barrels a day.

In a telephone conversation he *declined to say how much* Iran would demand out of the collective total currently amounting to 17.5m b/d—which the ministerial conference is unlikely to increase because of the softness of the oil market and inevitable *prolem of reallocation of* shares.

Dr Honardoust merely said that "may be others" would also want an increase in quotas.

It is believed, though, that Iran is aiming at an alloca*tion of 3.2m b/d.* In practice is has been producing in excess of its quota since midsummer at a rate generally believed to have been running at 2.7m b/d.

Iran's stance is clearly a tough one and may prove to *be uncompromising.* Its demand would threaten a protracted meeting in Vienna and could destroy Opec's attempt to control output in support of the price structure based on $29 per barrel for Arabian Light.

The Islamic revolutionary regime in Tehran has been enraged not only by the fact that Saudi Arabia has been substantially exceeding the 5m b/d regarded by other members as its maximum quota as "swing producer" but also by the extra output by Saudi Arabia and Kuwait sold in the form of aid on behalf of Iraq.

Recently Saudi Arabia lowered its output from the high point of 5.8m-5.9m b/d reached in the late summer. It is currently running at 5.3m b/d plus another 200,000 b/d from the Neutral Zone shared with Kuwait.

Meanwhile, reports that Saudi Arabia is storing anything from 1.5m to 3m tonnes *of oil in up to 80 tankers* standing in the Gulf of Oman and off the coast of Fujairah were discounted yesterday by shipping brokers and the marine department of one major oil company.

The number of tankers off *the coasts of Oman* and the United Arab Emirates is said to be no more than 20, all of them in ballast waiting to pass through the Strait of Hormuz and seeking to minimise insurance costs.

Manila submits letter of intent to IMF

MANILA — The Philippines yesterday submitted a letter of intent to the International Monetary Fund following negotiations aimed at bringing in about $4bn in credits, Mr Cesar Virata, the Prime Minister, said.

He said the letter outlined economic goals which the Government promises to fulfil to obtain an IMF standby credit totalling 636m SDRs (£452m) for 1983-84. He did not elaborate.

The money would cover refinancing of trade-related credits amounting to at least $800m, which the Philippines urgently needs before the end of the year. Reuter

Work on Nigerian steel complex almost at a standstill

BY PETER BLACKBURN AND QUENTIN PEEL IN LAGOS

CIVIL WORKS on the Naira *3.5bn ($4.6bn) first phase of* the Ajaokuta steel project in Nigeria, the largest industrial investment in black Africa, has practically stopped because funds have run out and the contractors are in dispute over an escalating bill.

Talks are being held on site this week between officials of the Nigerian Steel Ministry and representatives of the three major civil contractors, Dumez and Fougerolle of France, and Julius Berger of West Germany.

The contractors have submitted a combined claim of some N450m ($600m) in increased costs, on top of the N850m original value of their contracts. Both French contractors have stopped work pending a settlement, although *Julius Berger* is still continuing to work. It is understood that Soviet-manufactured equipment for the plant has already arrived at the site, but the buildings are not ready to instal it.

The problems at Ajaokuta come at a time when Nigeria's entire ambitious steel development programme is expected to be cut because of Nigeria's current economic crisis. President Shehu Shagari hinted as much in his inauguration speech for a new four-year term of office last month, when he said that only "exceptionally productive" projects could now be undertaken.

The steel development programme is supposed to include a flat products plant, a special steels plant, a foundry, and an aluminium smelter, in addition to the Ajaokuta blast furnace complex, a direct reduction plant at Aladja, and three rolling mills in different parts of the country.

Last August's Presidential *and legislative elections,* and the subsequent delay in approving a new ministerial team, have held up any decision being taken on the future of the steel programme. Problems have been compounded by a struggle for overall control between the Ministry of Steel Development, *and that of Mines and Power.*

The Ajaokuta complex, located on the banks of the Niger River in Kwara state, is intended to produce 1.3m tonnes of round products every year by the end of phase one with an eventual capacity of 5.2m tonnes a year.

Steel *Ministry officials* still claim that the first phase can be completed on schedule by 1985-1986. However, work has slowed dramatically since July, when President Shagari commissioned the first of four planned rolling mills.

The increased costs are blamed by the contractors on very substantial wage increases, following a rise in the national minimum wage from N100 to N125 in 1981, as well as on delays and severe transportation problems, and on extra work *including pipelines* and railway tracks, not included in the original Soviet design. The original contracts did not include escalation clauses, when they were negotiated in 1980.

Agreement must be reached both on the amount of money needed to complete the contracts, and secondly on how this might be funded. The West German and French contracts have been financed hitherto almost entirely offshore, but those original loans have now been virtually *exhausted.*

Julius Berger is responsible for civil works on the rolling mills, Fougerolle for the blast furnace and Sinter plant and Dumez for the ancillary buildings and water treatment systems.

Although the first rolling mill at Ajaokuta was completed in record time, in order to meet the election deadline, it only operated for a few weeks until supplies of imported billets ran out, according to officials close to the project.

Billets produced by the Delta steel company at Aladja are too big for the Ajaokuta rolling mill. Import restrictions and problems in transporting the billets by road to the remote Ajaokuta site have aggravated the supply difficulties.

Muldoon imposes limits on mortgage interest rates

BY DAI HAYWARD IN WELLINGTON

MR ROBERT MULDOON, New Zealand's Prime Minister, yesterday carried out a threat to force down interest rates by imposing regulations limiting the rates on first mortgages to 11 per cent.

Second and subsequent mortgages are limited to 14 per cent.

The move came as a survey by the Law Society showed that interest rates on loans arranged by solicitors are 14 per cent or higher.

Earlier this year, the standard interest rate on first mortgages for houses and property was 18 per cent. Second mortgages were at 20 per cent.

A few months ago, Mr Muldoon told finance institutions to set an example by bringing down their interest rates. Trading banks and financial houses somewhat reluctantly followed suit.

Solicitors, who arrange many mortgage loans, were slow to comply. Mr Muldoon threatened them, and some of the finance houses, saying he would force interest rates down if they did not do it voluntarily.

Mr Muldoon called a special meeting of the cabinet yesterday and then announced the new regulations.

Brazil Congress approves wage and tax package

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE BRAZILIAN Congress gave its expected approval to the Government's latest package of tax increases and wage cuts, a prerequisite for the resumption of lending to Brazil by the International Monetary Fund and creditor banks.

Three opposition parties fought unsuccessfully to block voting on the package, contained in Decree Law 2065. But thanks to a recently arranged pact with a minor labour party, the Government-backed Partido Democratico Social was able to force the issue to a vote and obtain a narrow victory.

However obtained, the congressional success will boost morale in the Figueiredo Government, badly demoralised by the way in which control over economic and political events in Brazil has recently been slipping out of its grasp.

Meanwhile, leading U.S. bankers in Brazil report that arrears on loan interest payments are now running in many cases at over 120 days, well above the theoretical 90-day ceiling, which should force the loans to be treated as "non-performing assets."

One major U.S. bank, in the top handful of lenders to Brazil, said it had not received any interest payments since the end of June.

It believed the Government was deliberately using the arrears as a form of pressure on foreign banks to speed up the conclusion of the new $6.5bn (£4.3bn) jumbo loan.

Total foreign payment arrears by Brazil may, by now, be over the $5bn mark compared with the last official figure of $2.835bn at the end of September.

This estimate includes $1.05bn owed to the Bank for International Settlements and over $3.7bn owed to the commercial banks in loan interest and interest due on the arrears themselves. Brazil's total foreign debt is about $90bn.

Shortly before Congress voted on the wage legislation in the early hours of yesterday morning, the IMF-imposed wage restraint policy ran into fresh trouble.

A strike over a wage claim by the powerful metalworkers' union in Sao Paulo halted all vehicle production at Ford's main plant. It looks likely to spread to other major manufacturers nearby.

The strike by 8,500 of the U.S.-owned company's 11,500 workers is costing it Cruzeiros 2.75bn (£2.2m) a day in lost production, Ford said yesterday. Ford do Brasil is the country's third-ranking vehicle manufacturer, after Volkswagen and General Motors.

Labour relations throughout Brazilian industry are in turmoil because of the frequent changes made by the Government to salary legislation.

While some companies, like Ford, have stuck to the letter of the law—however temporary some of these laws have proven to be—many others are paying their employees above the prescribed maximum rates.

Philadelphia elects first black mayor

PHILADELPHIA — Mr Wilson Goode, a black Democrat, was elected Mayor of Philadelphia, the U.S.'s fourth largest city, on Tuesday in an election which underscored the importance of black votes in the 1984 presidential campaign.

Riding a rising tide of black pride but also winning strong white backing, Mr Goode won 55 per cent of the vote and beat two white opponents to become Philadelphia's first black mayor.

Race never surfaced as a divisive issue as it did in last April's heated Chicago mayoral battle won by black Democrat Harold Washington.

According to voter surveys' Philadelphia's 40 per cent black minority gave Mr Goode 98 per cent of its vote while whites gave him almost 30 per cent — one of the bigges white vote totals ever won by a black in a U.S. mayor's election.

With Mr Goode's triumph in Philadelphia, blacks now control city halls in three of America's four largest cities: Chicago, Los Angeles and Philadelphia.

SECURITY A TOP PRIORITY, SAYS GOVERNOR-GENERAL

Scoon names interim administration

ST GEORGE'S Grenada — Grenada Governor-General Sir Paul Scoon yesterday announced an eight-member interim administration to govern the Caribbean island until elections can be held.

He said priority would be given to drawing up contingency plans for a security force that could maintain law and order after the withdrawal of U.S. troops.

He named Mr Alistair McIntyre, 51, a distinguished Grenadian economist who is currently deputy chairman of the UN Conference on Trade and Development ((Unctad) in Geneva, to be the leader of the interim administration.

Mr McIntyre has served as secretary-general of Caricom, the Caribbean economic group, and was previously director of social and economic research at the University of the West Indies in Jamaica.

Mr Scoon said he was asking UN secretary-general Javier Perez de Cuellar to release Mr McIntyre from his UN duties to assume the leadership of an interim advisory council.

The UN has condemned the U.S.-led invasion of Grenada on October 23.

Mr Scoon said it would be the advisory council's job to make all necessary preparations for general elections at which Grenadians would be free again to choose their own government.

Pending confirmation that Mr McIntyre would be able to serve, Mr Nicholas Braithwaite, who is attached to the Commonwealth youth council, was named as acting chairman.

Mr Arnold Cruickshank, a senior manager of the Caribbean Development Bank, was named to the agricultural and natural resources post, Dr Devere Pitt, a science teacher, was given the housing portfolio and Dr Patrick Emanuel of the Institute of Social Research, University of West Indies, was made spokesman for foreign affairs.

Also named were Dr Allan Kirton, appointed to the civil service portfolio and to the secretariat of the advisory council, Ms Joan Purcell, employment and women's affairs, Mr Raymond Smith, telecommunications and post office, and Mr Christopher Williams, a church educator, appointed without portfolio but designated to assist the head of the council.
Reuter

Scoon . . . law and order a priority.

U.S. invasion was justified, says Democrat leader

BY STEWART FLEMING IN WASHINGTON

MR TIP O'NEILL, the powerful Democratic Speaker of the House of Representatives, has publicly endorsed the Reagan Administration's invasion of Grenada, saying the move was "justified."

The judgment from Mr O'Neill, who has been criticised recently by some members of his party for being too ready to accommodate President Reagan, followed the return to Washington of a Congressional fact-finding mission to Grenada earlier this week.

Mr O'Neill's statement is a major political coup for the Reagan Administration since he had in recent weeks been highly critical of what he has called the President's "gunboat diplomacy."

His decision to endorse the Grenada invasion coincides with mounting evidence that the Administration's efforts to convince the American people that the invasion was justified have borne fruit.

A poll conducted for the Washington Post and ABC News released yesterday suggests the President has gained popular support on a wide range of issues partly as a result of his handling of the Greneda invasion.

The poll shows a sharp improvement in public support for his handling not only of foreign affairs but also the economy since late September. For the first time since April he also has more support than his two strongest Democratic Party rivals, Mr Walter Mondale and Sen John Glenn, among voters who were asked who they would vote for if the Presidential election were held today.

The bi-partisan congressional mission made it clear that not only was the President correct in his judgment that U.S. citizens were in danger on the island as Mr Reagan maintained, but also that there was indeed no effective government following the assassination of Mr Maurice Bishop.

K. K. Sharma in New Delhi writes: Mr Sonny Ramphal, Commonwealth secretary-general, has been in touch with Mrs Indira Gandhi, India's Prime Minister, and officials in New Delhi in the last couple of days over his controversial proposal for a Commonwealth peace-keeping force

But Mr Natwar Singh, the Indian Foreign Office Secretary, who is also in charge of arrangements for the Commonwealth heads of government meeting beginning here on November 23, said no decision had been taken yet on the proposed force.

Alfonsin announces 'Cabinet of friends'

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S first democratically elected Government since 1973 will bear the unmistakable personal stamp of Sr Raul Alfonsin, the Social Democratic leader of the Radical Party and president-elect.

The eight-man Cabinet announced late on Tuesday night has been picked from an entourage of academics, lawyers, economists and trade union officials who have supported Sr Alfonsin since 1972 when he formed a breakaway centre-left faction to challenge the political hegemony of the Peronists.

The one exception is Sr Antonio Troccoli, a member of the conservative wing of the Radical Party and former rival of Sr Alfonsin, who has been given the post of Minister of the Interior to ensure the unity of the party.

Local political observers described the incoming administration as a "Cabinet of friends" and potentially the most cohesive government in Argentina for more than 20 years.

One of the two surprises is the appointment of Sr Dante Caputo, a 39-year-old sociologist, to head the Ministry of Foreign Affairs. With no previous ministerial or diplomatic experience, Sr Caputo is considered as something of a maverick.

The other is the choice of a 60-year-old independent print union official, Sr Antonio Mucci, to head the Labour Ministry. Sr Mucci will have the difficult task of dealing with the Peronist-led trade unions.

Sr Caputo is a close friend of Sr Alfonsin and is expected to ensure closer co-ordination with the president on key negotiations in contrast to the past pattern of "parallel" diplomacies which undermined Argentine foreign policy.

Sr Caputo is expected to use his personal contacts with members of the Spanish and French Socialist parties to consolidate European support for Argentina's stand on the Falklands.

Future negotiations with Britain, if and when they get under way, will be spearheaded by Sr Hugo Gobbi, the new Under-Secretary for Foreign Affairs. Sr Gobbi is expected to use his experience as the special United Nations adviser attached to the peace-keeping corps in Cyprus to pursue a rapprochement with Britain.

Much as expected, the two key posts of Economy Minister and central bank governor have gone to Sr Bernardo Grinspun and Sr Enrique Garcia Vazquez, both former directors of the central bank and personal friends of the outgoing governor, Sr Julio Gonzale del Solar.

The veteran 82-year-old Dr Raul Plebisch, one of the most respected thinkers on the problems of Third World economies, will act in a key advisory capacity with particular responsibility for Argentina's $39bn foreign debt.

All three men have said Argentina will honour its debt obligations

The new economic team aims to tackle Argentina's 500 per cent inflation with an informal prices and incomes policy, tax reform, and a streamlining of the country's inefficient public sector—much of which has been under military control. Defence expenditure will be reduced from 5 per cent of GDP to 2 per cent of GDP.

Sr Raul Borras, a former Under-Secretary for Agriculture and one of the main "brains" behind Sr Alfonsin's election campaign, has been charged with the delicate task of military reform at the Ministry of Defence.

Sr Juan Carlos Pugliese, the former Economy Minister, who was previously offered the job, has been appointed leader of the Congress instead.

Sr Raul Alfonsin, Argentina's incoming president, said yesterday his government would "use all the diplomatic means at its disposal to reach a peaceful solution to its disputes with Britain." It was the first unequivocal public statement of non-belligerence by an Argentine leader since the end of the Falklands war.

While invoking last year's UN resolution calling on both sides to negotiate on the future of the islands, Sr Alfonsin made no specific mention of sovereignty. Sr Alfonsin issued his statement on the eve of the UN debate on the Falklands which is expected to end with a renewed call for negotiation.

Peruvian mayor killed by rebels

LIMA — LEFTIST guerrillas have assassinated a government party mayor in central Peru amid reports of stepped-up insurgency aimed at disrupting Sunday's nationwide municipal elections.

Police in Cerro de Pasco, 190 miles from Lima, said gunmen shot and killed mayor Victor Aria Vicuna as he left his office on Tuesday night.

The 36-year-old dentist was the second mayor killed by guerrillas of the Maoist movement — called Shining Path—and the 12th member of President Fernando Belande's ruling Center Party to be slain by the insurgents in three years of fighting.
AP

Mexico current account surplus

By William Chislett in Mexico City

MEXICO achieved a record current account surplus of $3.3bn (£2.2bn) in the first eight months of 1983 largely because of a continued massive trade surplus caused by the dramatic drop in imports.

The trade surplus until August was $8.5bn. Imports of $5.1bn were 56 per cent below the level of the corresponding 1982 period and exports of $13.6bn were 3.6 per cent higher. The decline in imports reflects the depth of the country's economic recession.

Government economists now expect the current account surplus for the year to be at least $4bn as they do not envisage any significant recovery in imports.

TECHNOLOGY

EDITED BY ALAN CANE

COLLABORATION SEEKS TO STUDY DAMAGE FROM NEUTRON BOMBARDMENT

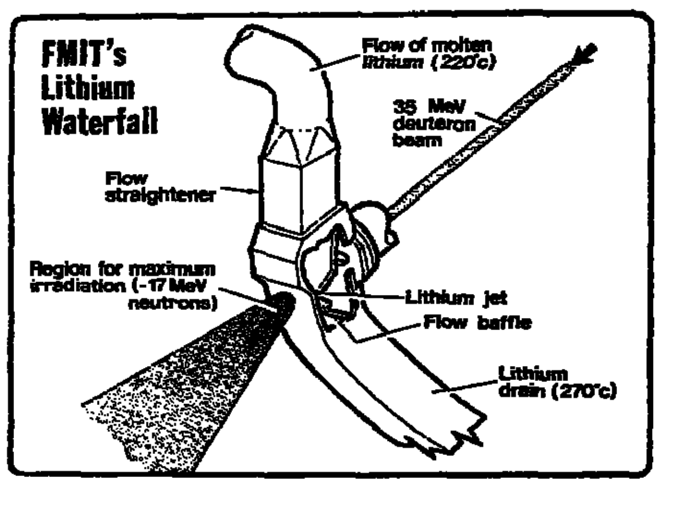
Japan and the West link fusion work

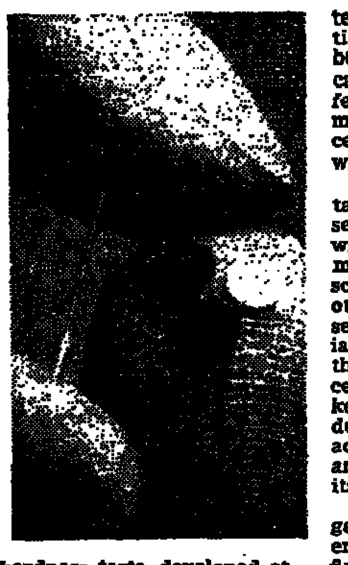
BY DAVID FISHLOCK, SCIENCE EDITOR

A COLLABORATION across three continents in the technology of nuclear fusion reactors has been agreed between the EEC, Japan and the U.S. The EEC and Japan are to join in the research programme of a $215m laboratory (1982 estimate) under construction in the north-west of the U.S.

This is the Fusion Materials Irradiation Test (FMIT) facility begun early in 1980 at the U.S. Department of Energy's Hanford Engineering Development Laboratories near Richland, Washington State. Hanford is managed by Westinghouse Electric. FMIT, expected to be ready in the late-1980s, will study the devastating effects of exposing engineering materials to the *ferocious conditions* expected inside a fusion reactor.

Second only to demonstrating the scientific feasibility of fusion—the purpose of such experiments as the EEC's JET project, now being commissioned at Culham—materials are the biggest single uncertainty in obtaining power from fusion. Can materials be found which will stand up to the hostility of a fusion reactor for 10-20 years?





Microminiaturised mechanical test pieces for tensile, fatigue and hardness tests, developed at Hanford Engineering Development Laboratories. Up to 1,000 of them will be packed into a 10 cc test cell mounted behind the lithium "waterfall," as the sketch shows

> Can materials be found which will stand up to the hostility of a fusion reactor for 10 to 20 years

The intense neutron bombardment is expected to displace every atom in the crystal structure of any metal 20-70 times a year—"a very rough game of billiards," Sir Alan Cottrell comments. How can any material abused in *this* way be expected to remember how carefully it has been refined and heat-treated?

Sir Alan Cottrell, master of Jesus College, Cambridge, and chairman of the UK Atomic Energy Authority's new facility at Risley for validating the primary circuit components of commercial pressurised water (fission) reactors, was asked last December to head an international panel to study foreign participation in FMIT. The U.S. Government wanted to cut its fusion budget and had invited other nations to contribute, through the International Energy Agency (IEA).

But other nations were wary. They wanted to know whether *the world's most expensive* metallurgical laboratory was really necessary to tackle the problem. They wanted to know whether they would get value-for-money from a facility whose research programme was apparently already fully planned well into the 1990s by U.S. *researchers. They* were also cautious because a previous U.S. attempt to get their collaboration in a similar project had ended abruptly when the U.S. itself cancelled the project in favour of FMIT.

The Cottrell panel was asked by the IEA to investigate the *scientific side. Its* report confirmed the necessity for such a facility, the fact that no other exists, and the importance of treating materials as a serious and long-term research problem on which all hopes for fusion power may yet founder.

FMIT is essentially a large and *ingenious* accelerator, designed to generate neutrons of the intensity found in fusion reactions, 14 MeV. It will expose metallurgical test specimens to these neutrons to see what damage they do to mechanical properties such as strength and fatigue life, and what other changes are wrought by transmutation of the constituents to different elements.

"Most of the figures in the *textbooks* are wrong at these energies," comments Dr Mick Lomer, director of the Culham Laboratory, Britain's centre of fusion research.

The component of greatest concern will be the first wall of a fusion reactor, containing the plasma. FMIT has been designed to deliver neutrons a little faster than is expected of a reactor, thus accelerating the tests.

The 35 MeV linear accelerator is being designed at Los Alamos National Laboratory, in New Mexico, where a 5 MeV experimental version is being built to *verify the novel design.* The machine will produce a beam of high-energy deuterons which it will fire through a "waterfall" of molten lithium metal. The idea is that the lithium will strip a proton from each deuteron, leaving a neutron of half the original energy to continue to *the target cell.*

Hanford has already demonstrated the cascading lithium system (see sketch), both as a means of making high-energy neutrons and as a convenient way of dissipating 3.5 megawatts of beam power as heat. An electromagnetic pump will squirt molten metal at 220 degrees C, at a rate of 33 litres per second, through the deuteron beam.

The Cottrell *report to the* IEA confirms the importance of taking a very long-term view, 15-20 years, of the fusion materials problem, and the need for a facility such as FMIT. It foresees problems in the very small size of the test cell, however. The total volume of the test cell in which specimens can be irradiated is over 8,000 litres, and is accessible through seven ports, 12 inches across. But the peak levels of neutron irradiation will be available in a volume of only 10 cubic centimetres. Neutron intensities in the rest of the cell will be only *one-fifth as great.*

Hanford metallurgists have developed a remarkable experimental technique using microminiatured test pieces, some of which are illustrated here. They say that as many as 1,000 of these can be packed into the volume available for the most intense neutron bombardment. From three to five years of this mistreatment will be equivalent to a lifetime in a fusion reactor, they claim.

The Cottrell panel agonised over these claims, which lie at the heart of the $200m investment. Sir Alan himself concludes that the *scaling factors* for Hanford's microminiature test pieces are sound for austenitic stainless steels. But he believes there are still significant effects to be studied for *ferritic steels.* Many other metals, including ceramics, ceramic-metal hybrids and welds, remain to be tried.

His report stresses the importance of getting materials research under way in parallel with the fusion physics experiments, because of the long timescale involved. It found no other way open to fusion researchers to explore their materials problems. It satisfied itself that FMIT was a soundly conceived facility which could be kept in good shape, despite the destructiveness of its own activities. Hanford estimates *an availability of 65 per cent for* its operations.

"It's not all that easy to generate neutrons in this energy range," Dr Lomer confirms. Most available neutron sources are far too low or far too high. If the physicists wait for a suitable experimental *fusion device to provide such* neutrons, it will by definition come too late, Dr Lomer says.

Nevertheless, both the EEC and Japan are approaching the collaboration with caution. They are particularly anxious to secure value-for-money for their scientists. Neither partner can participate in FMIT's construction. So present plans are that

> Both the EEC and Japan are approaching the collaboration with caution

both partners shall contribute their one-third shares as payment for leasing time on the finished facility, from 1989, thereby ensuring a fair share of its experimental capacity from the start. That way, too, the newcomers will carry none of *the risks of an ambitious project* they have had no part in building.

The scientists believe that the U.S. Department of Energy, having already committed about half the cost of FMIT, will readily accept this form of deferred payment to cement a new international research collaboration.

ENGINEERING IN HOLLAND

Designers seek new markets for skills

BY JOOST VAN KASTEREN

THE DUTCH Delta works are nearing completion and the *civil engineering research* institutions, specially set up for this work, are trying to find other markets for their expertise.

Dr Egbert van Spiegel, director general of the Department of Science Policy in the Netherlands, puts out a plea: "If there are plans for a project, *comparable with the* Eastern Scheldt Storm Surge Barrier in your country and you want any help with its implementation, you know where to come."

This project has been many years in the planning. It is running two years late—it should be completed in 1986 or 87—and *has* run over budget by 30 per cent. Apart from heightening the dykes in different parts of the Netherlands, the main part of the project is the closure of the different sea arms in the south western part of the country with the exception of the Western Scheldt which is *the main sea route to and from* Antwerp harbour.

This project has highlighted the change that has taken place *in civil engineering; from* an experience based technology to a science based technology. For instance, in the early days the necessary height of a dyke was established by rule of thumb which stated that the height should be one metre higher than the height of the last flood.

For the Delta works, variables concerning flood height were combined in a stochastic process and new design methods were worked out for dam construction and the possible effects of the closure of the sea arms were studied. This led to a large research effort in organisations such as the Delft Hydraulics Laboratory, the Delft Soil Mechanics Laboratory and a special department set up at the Ministry of Transport called the Deltadienst. Research was estimated to account for at least 10 per cent of the total F112bn project.

This research highlighted environmental problems if the Eastern Scheldt was closed with a dam so the designers came up with a technically advanced design of an open barrier which could be closed during heavy storms. Extensive computer modelling was used to predict the tidal effects and the effect on the ecology.

The designer chose a set of piers standing on "mattresses" on the sandy floor with steel *sliding gates* in between them. As this is the last major civil engineering project in the Netherlands, the research institutions are looking for other home and foreign projects. Delft Soil Mechanics Laboratory, for example, is using its expertise in dealing with chemical waste *dumps and it hopes to advise oil* exploration companies in Northern Canada on soft soils.

The Delft Hydraulics Laboratory wants to exploit its expertise in computer modelling on ecosystems, water flow and salinity effects.

The problem is that the market *for civil engineering know-how* is declining worldwide. Added to this, Dutch civil engineering is expensive on foreign markets and, there has been no combined efforts to expand in these markets.

Perkin Elmer is everywhere

PERKIN ELMER has decided to support a number of computer and communications industry standards in a new corporate strategy it has named "Everyware."

The result will be that the company's hardware and software will connect with or co-exist with other systems wherever IBM's SNA, the IEEE 802.3 Ethernet local area network, the UNIX operating system, the ISO open systems interconnect reference model for distributed computer systems or the CCITT X25 packet switched network have been invoked.

At the same time the company is introducing four major software products to begin to implement Everyware, covering SNA, Ethernet, X25 and some operating system "bridge" products that will allow working between Unix and OS/32, Perkin Elmer's real time operating system.

According to Brian Hanley, UK general manager of Perkin Elmer, the important outcome is that his company's products will be easily integrated into a customer's existing operation. More on 0753 34511.

Adhesives

Bonding oily steel

LOCTITE UK says it has developed a structural adhesive that will bond oily sheet steel in seconds, fill gaps in excess of 3.0mm and withstand a wash/rinse/bake cycle within minutes of application.

Called Sheet Steel Bonder 341, the adhesive consists of two non-flammable components that are mixed together in a 1:1 ratio—they do not even have to be properly mixed according to Loctite. The two parts, on the two surfaces, can be simply brought together to give effective enough mixing.

Field trials in the UK involving 76 companies in eight industries have proved, says Loctite, that the adhesive has the toughness to supplant spot welding—without the disadvantage of weld *marks* and the action required to remove.

The company quotes a case where, because no clean-up was required, bonding reduced the total job cost for a steel door needing 43 spot welds from £9.89 to £1.44. More on Welwyn Garden City 31277.

Coatings

Gauge with readout

Elcometer Instruments of Manchester offers the model 256, a hand-held unit that measures coating thickness and provides statistical analysis and paper print-out. It will measure coatings including like paint, electroplating and galvanising up to 1,000 microns on a ferrous base.

WORLD TRADE NEWS

Hong Kong gives support to China nuclear project

BY ROBERT COTTRELL IN HONG KONG

THE HONG KONG Government will support the *building of a* HK$36bn (£3.1bn) nuclear power station at Daya Bay in China's neighbouring Guangdong province.

The Government's go-ahead, announced yesterday is the last major step towards the building of the 1800 MW station. The station is likely to mean major *contracts for Britain's General* Electric Company and France's Framatome.

GEC is likely to supply the station's conventional turbine *and generating plant,* while Framatome is likely to supply its two 900 MW pressurised water reactors, said Mr Piers Jacobs, the Colony's secretary for Economic Affairs.

Joint venture

The joint-venture partners now need to raise some HK$32.4bn in international loans, mainly supplier-credits, to finance 90 per cent of the station's cost, complementing *their own planned 10 per cent* equity investment.

The station is to be owned and operated by a joint-venture company held 75 per cent by China's state-owned Guandong Power Company, and 25 per cent by the proposed Hong Kong Nuclear Investment Corporation (HKNIC), the vehicle for Hong Kong investors.

While the precise structure of HKNIC has yet to be decided, its major shareholder will be China Light and Powere, the larger of Hong Kong's two publicly-listed power companies.

Mr Jacobs said other Hong Kong partners may include Hong Kong Electric Holdings, the territory's other power utility; and Eastern Electric, the Exxon oil company affiliate which is already a partner of *China Light and Power in power* stations in Hong Kong.

Hong Kong Electric said it would need more details before deciding whether to make a commitment *to the project.* The relevant Eastern Energy executive could not be reached for comment.

In line with usual Chinese *joint-venture* practice, the station will revert to wholly-Chinese ownership after its expected operational life of 20 years.

The plans for the Daya Bay station call for Hong Kong to buy 70 per cent of electricity generated at the plant, yielding hard currency to repay the project's debt.

The Hong Kong Government regulates the finances of local utilities, giving it the authority to decide whether or not they *can make such a commitment.*

Mr Jacobs said yesterday that Hong Kong is "willing in principle to endorse an appropriate offtake agreement" and *that it felt that* "as soon as was practicable, steps should be taken with other interested parties to form the Hong Kong Nuclear Investment Company."

Mr Jacobs said the Hong Kong Government is unlikely to take an equity stake in the project, but may contribute loan finance.

The Chinese Government approved the project in December 1982. Hong Kong's decision to concur follows negotiations with Chinese officials, and the receipt of consultancy reports on various aspects of the Daya Bay station.

The project carries important political overtones, because its financing package is likely to extend beyond 1997, the year in which Britain's lease over most *of Hong Kong expires.* The Territory's future status is now the subject of negotiation between Britain and China.

Mr Jacobs said yesterday that the decision to go ahead with the station "must indicate that all parties believe Hong Kong has a long and very good future."

He also said that the project "offers Hong Kong an opportunity to demonstrate our desire to co-operate fully with China in its Four Modernisations programmes." (The "four modernisations" is the phrase by which China designates its push for economic modernisation and growth.)

Such a long-term financing package would have a precedent: In 1981, banks agreed to lend £918m to finance a Hong Kong power station, Castle Peak, with loans maturing in 2002.

Mr Jacobs said China wants the Daya Bay station on-stream by the end of 1991, and has already begun preparing the site. The station would then provide some 15 per cent of Hong Kong's electricity needs.

New capacity

Mr Jacobs said that if the Daya Bay option were not available, a decision to develop other new capacity would have had to be taken within the next two years.

In addition to the HK$36bn cost of the station, a further HK$5bn will have to be spent on a transmission system to bring the power from Daya Bay to Hong Kong. The cost of this system is likely to be borne by Hong Kong interests.

UK set for record loan backing

BY CHRISTIAN TYLER, TRADE EDITOR

THE BRITISH Government is ready to make what could be its biggest-ever export credit commitment in order to back the attempt by GEC Turbine Generators to secure contracts for the Guangdong nuclear power station.

A buyer credit for China of at least £600m and possibly of as much as £1bn is on the cards if GEC wins the order for generators early next year.

The credit support could exceed the Export Credits Guarantee Department's £750m exposure on the Castle Peak "B" power station in Hong Kong, and would dwarf its current exposure in China which is of a few hundred million pounds.

Until contracts are awarded, it will not be clear how much of the HK$32.4bn of loans which China is seeking will be in the form of export credits.

Officials said the loan would be extended at the new OECD rate for countries at China's stage of development of 9.5 per cent, with the usual 15 per cent down payment.

The bulk of the rest of the export credits would probably be backed by the French agency Coface, in support of Framatome's pursuit of the contract to supply the nuclear reactors.

France, India sign coal extraction agreement

By P. C. Mahanti in Calcutta

INDIA and France have just signed an agreement or a memorandum of understanding to provide French collaboration in the extraction of thick seams in deep Indian coal mines. Two French companies, CDF and Sofreme, will be specifically involved.

The *agreement has* been signed in Calcutta by senior civil servants of both countries.

This is the first time that French aid is being enlisted for *the development and expansion* of the Indian coal industry. Other foreign countries — the UK, Russia, Poland and the U.S. — are already assisting India *in different spheres of coal* mining.

French help has been sought specifically for deep mines with thick seams in which the *French are thought to have* special expertise. Two deep coal mines in Orissa State will be worked

The plan is to develop these *mines to their fullest potential.* Larger capacity will be taken up in a further phase, for which another agreement will be signed soon.

EEC video 'population' to rise 55%

By Raymond Snoddy

THE NUMBER of homes with video recorders in the EEC will rise by 55 per cent this year, despite restrictions on Japanese imports, according to a new survey.

However, some of the fastest growth rates are now to be found in the Southern Hemisphere, with both Australasia and Latin America due to expand their video markets this year by 85 per cent.

The twice-yearly round-up of video market reports published by the magazine Screen Digest shows the world total of video-recorders will pass 40m this year.

Six countries will each have video "populations"—one per household—of more than 1m by the end of this year, although the three leading video nations, Japan, the U.S. and the UK between them have almost 60 per cent of the world video recorder total.

General Motors to set up assembly plant in Nigeria

BY WILLIAM HALL IN NEW YORK

GENERAL MOTORS, the *world's biggest car producer,* is to establish a Nigerian assembly plant for light commercial vehicles in partnership with local and foreign investors.

General *Motors announced* that it had agreed in principle with the Government of Nigeria to form a joint venture which will assemble Isuzu light commercial *vehicles in Maiduguri* in the state of Borno.

GM and Isuzu Motors, GM's Japanese affiliate—34.2 per cent owned by GM—will each own 15 per cent of the new company. Nigerian private investors and the Government of the state of Borno will own 40 per cent and the remaining 30 per cent will be owned by unidentified foreign private investors.

The assembly plant will cover 178,000 sq ft and on the basis of a two-shift capacity will be able to produce up to 20,000 light commercial vehicles a year.

Last year, GM shipped 4,200 units to Nigeria against 9,000 units a year ago. These shipments cover the entire GM product range and the new assembly plant will concentrate on the Nigerian light commercial vehicle market which GM believes has plenty of long-term growth potential.

Production is scheduled to *begin in 1986 and at full capacity,* the plant will employ 900 people.

Mr William Mott, GM's executive director *of* Asian and African *operations,* says *his* company believes the "long-range economic outlook for Nigeria is good. An expanding economy will provide a basis *for increased vehicle sales.*"

Alsthom technology for Skoda

BY DAVID MARSH IN PARIS

ALSTHOM-ATLANTIQUE, the French electrical and engineering group, is to sign today in Paris an important co-operation agreement with Skoda of Czechoslovakia involving exchange of steam turbine technology for use in power stations.

The accord, said by Alsthom to give it an important boost in efforts to expand its international market in this field, will allow Skoda to use Alsthom technology in selling turbines throughout the East bloc and in other countries.

Alsthom, part of the nationalised Compagnie Generale d'Eléctricité conglomerate, believes that the agreement will give it a significant competitive edge in East bloc sales compared with international rivals like Kraftwerk Union and Brown, Boveri.

Singapore moves on export duty

BY CHRISTOPHER SHERWELL IN SINGAPORE

SINGAPORE HAS decided to levy a duty on exports by a local manufacturer, apparently to pre-empt a pronouncement by the U.S. on the Government's export subsidies. The goods in question, refrigeration compressors, faced the threat of countervailing duties as a result of U.S. investigations.

This is the first time Singapore has imposed such a levy, and the affair has caused the Government to consider signing the subsidies code of the General Agreement on Tariffs and Trade (Gatt) to help prevent a recurrence.

The case relates to the manufacture of hermetic refrigeration compressors of up to one-quarter horsepower by Matsushita Refrigeration Industries (Singapore). The compressors are exported by Matsushita Electric Trading (Singapore), also a subsidiary of the Japanese company. The two had captured a substantial slice of the U.S. market.

In May, Tecumseh Products Company, a U.S. manufacturer of similar compressors, filed a complaint to the Commerce Department alleging that "producers, manufacturers and exporters in Singapore" of the compressors received benefits which amounted to "bounties or grants" under the terms of U.S. tariff legislation.

According to the provisions of the 1979 Trade Agreements Act in the U.S., Tecumseh did not have to prove that the compressor imports caused, or threatened to cause, material injury. This was because Singapore was not a member of the Gatt subsidies code.

In its preliminary determination of August 29, the Commerce Department declared there was reason to believe or suspect that benefits amounting to 4.8 per cent *ad valorem* were being provided.

This figure subsequently rose to 5.86 per cent *ad valorem* in light of further investigations. The bulk of it came from incentives allowing 90 per cent of export profits to be tax exempt.

While the Department rejected some of the subsidy allegations made in the Tecumseh case, it found benefits for the Singapore companies in certain rediscounting facilities on export bills of exchange offered by the Monetary Authority of Singapore, the equivalent of the central bank, and in the government's Skills Development Fund, which subsidises training.

Moving swiftly before the November 2 deadline for a final determination by the Commerce Department, the Singapore government proposed the new export levy to offset the countervailing duty of 5.86 per cent which was likely to be imposed.

The Commerce Department promptly suspended the countervailing duty investigation without conclusion. It remains "on the books" and will continue to do so until circumstances change.

Daimler to produce engines in Indonesia

By John Davies in Frankfurt

DAIMLER-BENZ, the West German motor vehicle manufacturer, is taking another step in the gradual building-up of its interests in Asia with a plan to produce engines in Indonesia.

The company already is involved in assembly of cars, trucks and buses in Indonesia, where it has been quietly but steadily strengthening its presence over the past 13 years.

Daimler-Benz's Asian interests are small in comparison with its major overseas operations, notably in North and South America.

But it is working under a long-term strategy to lay the groundwork for future expansion. As part of this strategy it is also keenly interested in China, where it opened a servicing and repair operation last year.

Daimler-Benz has formed a new company to assemble engines in Indonesia from the beginning of 1985. The West German group has a majority stake in the company, PT Star Engines, while local partners have the remaining shareholding.

The engines will be produced at a factory alongside the group's motor vehicle plant at Wanaherang, some 40 miles from Jakarta.

Most engines will be for the group's locally assembled commercial vehicles, but some industrial engines will also be made. The company said it was too early to assess the likely volume of production or the range of engines to be turned out.

Daimler-Benz's direct involvement in Indonesia began in 1970 when it decided to form a company to assemble vehicles locally.

It has a one-third stake in the company, PT German Motor Manufacturing. The other shareholders are Indonesian partners and a development aid organisation of the West German Government, the Gesellschaft für Wirtschaftliche Zusammenarbeit.

Assembly was initially in Jakarta, but had to be moved to make way for harbour expansion. A new factory was officially opened at Wanaherang last year, with a capacity of 4,000 vehicles a year, and employs about 1,300 workers assembling cars, medium-weight trucks and buses.

UK NEWS

Mercury wins court order against union

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MERCURY Communications, the privately-financed consortium which intends to compete with the state-owned British Telecom (BT), has won a temporary court order to stop industrial action against it by the Post Office Engineering Union (POEU).

The union has been refusing to connect Mercury to the public telecommunications network and campaigning against the Government's proposed privatisation of BT next autumn.

Yesterday three Appeal Court judges ordered the POEU to call off its action against Mercury within 48 hours. The judgment, and whether to comply with it, will be considered by the union's conference in Blackpool, Lancashire, today after a meeting last night of its executive committee. The Appeal Court gave leave for the union to appeal to the House of Lords.

The union has already been urged by its lawyers to obey any injunction granted against it and warned that failure to do so could lead to substantial fines or the jailing of its officers. There were strong indications last night that the executive would decide to comply, but emergency resolutions have been tabled for the conference to debate today. One calls for the action to be maintained.

Mercury was licensed in February 1982 to compete with BT in business communications. It is a consortium of Cable and Wireless and British Petroleum, which each have a 40 per cent stake, and Barclays Merchant Bank. This week the bank confirmed that it was preparing to dispose of its own 20 per cent share.

Mercury's commercial future has been clouded by the POEU action, which the High Court last month ruled was lawful. But the Appeal Court yesterday rejected the union's claim that its refusal to connect Mercury to the public network was part of a genuine dispute with BT, stemming from its fear that the opening up of the industry to private competitors would lead to job losses.

The High Court had ruled on a provision in the 1982 Employment Act that laid down that industrial action would only be lawful if "wholly or mainly" concerned with the terms and conditions of employment. Yesterday the Appeal Court decided that what lay behind the union's action was not a trade dispute with BT but its campaign against privatisation.

Sir John Donaldson, Master of the Rolls (head of the civil division of the Appeal Court), said he found it inconceivable that, if the dispute was wholly or mainly about jobs, the union would not have approached BT asking for a guarantee of job security or a strengthening of the agreement that there would be no redundancies except in very restricted circumstances.

That, he said, did not appear to have happened. On the other hand, "there is massive evidence that the union is waging a campaign against the political decisions to liberalise the industry and to privatise BT."

Subject to the outcome of any appeal to the House of Lords (which would probably be heard in three weeks' time), the injunctions will remain in force until the full trial of Mercury's action against the union. This is unlikely to take place until well into next year.

The principal issue at the trial will be a claim by the company to recover the damages it alleges to have suffered as a result of the union's action.

● The POEU decided at its conference yesterday not to co-operate with the introduction of BT's System X automated telephone exchange equipment because of the effect on jobs.

Although this increases the union's militancy, some of its leaders are considering a reduction in the campaign against privatisation of BT because of the spiralling costs for the union. One decision to be debated tomorrow will be whether the 1,600 engineers on strike at three London international exchanges should return to work.

Editorial comment, Page 18

Accountants will pay IFTC creditors £8.75m

BY WILLIAM DAWKINS

MIDGLEY SNELLING, a London firm specialising in offshore accountancy, is to pay £8.75m to creditors of the failed Isle of Man-based International Finance and Trust Corporation (IFTC).

The settlement is believed to be the largest yet made against a UK accountancy firm. It represents the cost of repaying 80p in the pound to all the creditors of the bank and its offshoot, Jamie Investments, incorporated in Liberia. IFTC's total shortfall was nearly £25m.

The company's three-man board included two of the partners in Midgley's Isle of Man branch, Snelling Tucker, Moore & Co. It is understood that a large number of Midgley Snelling clients had deposits with IFTC.

It is thought that about £6.7m of the settlement is covered by insurers and that the balance will be met by a bridging loan taken out by the liquidator, until certain IFTC assets are sold.

Under the arrangement, a majority of the creditors have agreed not to take any further action against Midgley Snelling, but the Institute of Chartered Accountants is thought to be preparing a report on the case.

Cabinet spending deal

CABINET discussions on public expenditure plans for the next three years are likely to result today in a compromise acceptable both to the Treasury and to spending ministers.

Mr Nigel Lawson, the Chancellor of the Exchequer, will announce the results in his autumn economic statement, probably in the middle of next week.

The expected deal will enable the Treasury to keep to its planned limit on expenditure of £126.4bn for 1984–85, with rough stability in real terms for the next two years.

Most of the Government's key commitments on the National Health Service and social security are expected to be maintained. There would be cuts in the home improvement and urban aid programmes. The two most contentious areas have been defence and energy prices.

● BRITAIN'S first freeport will be in the Isle of Man. The island government yesterday announced plans to develop a 20-acre site next to Ronaldsway airport, near Douglas. Rush and Tompkins, the construction group, which is involved in freeport development in the U.S., has won the contract for the work.

● BRITISH SHIPBUILDERS has won a £5.5m order from Iceland to build a 3,000 tonne bulk carrier for trade with U.S. and Canada. The refrigerated ship was ordered by Samband Line of Reykjavik.

● THE POST OFFICE has cut the price it pays British Rail for carrying mail by at least £5m a year. After two years of negotiations a new five-year contract worth between £170m and £200m has been agreed.

● LLOYD'S, the London insurance market, will name a new chairman today to succeed Sir Peter Green.

JOBS COLUMN

Blockage somewhere • Fair omens • Stimulator

BY MICHAEL DIXON

JUST AS there are liars, damned liars and statistics there is whimsy, preposterousness and the behaviour of employers of executives. Or so I have been told over the past few days by several middleman recruitment consultants trying to fill employers' orders for high-grade staff.

In the U.S. as well as Britain, they say, the candidates' side of the market is becoming constipated. Plenty of the kind of people attractive to employers are going through the preliminaries but when it comes to the point, they just won't move.

While nobody is sure why, various possible reasons are ventured. Some suggest that the miseries of their out-of-work counterparts in recent years taught the more fortunate managers and specialists two connected things. One is that even one failure in a career record can be enough to blight future prospects. The second is that you inevitably incur a bigger risk of such a failure by moving to a new employer than by staying where you are safely established.

Others suspect that star candidates are increasingly held back by perks they don't feel it wise to reveal to a relatively strange interviewer (although they would presumably be happy to listen if the recruiter was unwise enough to talk about better ones).

Where the job change would mean a move of home, it is felt that candidates often decide on reflection that the rise in salary is not worth the financial and other costs of uprooting themselves. And since candidates in the most desirable age range tend more and more to have wives or husbands who are also working, they may be deterred by the need to find the spouse a reasonable job in the new area too.

Yet judged by their response to advertisements and executive searchers' approaches, there is *no lack of initial interest* in moving among the managers and specialists most able to do so. Their refusal when the opportunity is offered might therefore be seen as eccentric behaviour on the candidates' side.

If so it is as nothing to the irrationality of employers, according to the consultants I've met. They are convinced that in most cases the desired candidate could be won over if the "package" of rewards were sensitively put together as well as big enough in total.

Some employers in the U.S. are apparently responding to the two-career family phenomenon by using ingenious means of providing the executive's spouse with a job. Cast-iron contracts covering the first two or three years in the new post could compensate for the risk of moving. But I gather that British employers in general refuse to consider such new fangled notions.

"It typically goes like this," a headhunter lamented. "Your client makes his choice and is certainly going to blame you if he doesn't get it. For anything *like a top job it's invariably a* candidate doing nicely somewhere else. If you suggested taking an unemployed executive, you'd be shown the door as raving bonkers.

"But when you put forward the sort of package that—having talked to the candidate, gorblimey!—you know is needed to do the trick, the client just rubs his jaw and says: 'I'm sure that we don't need to offer things like that when there are so many good people unemployed'."

Going down

WHICH BRINGS us — with a reminder about liars, damned *liars etc — to this column's* latest look at unemployment among managers and specialists in Britain.

Because people wishing to draw unemployment benefit no longer have to register with a Government agency as job-seekers, I cannot obtain comprehensive breakdowns of the numbers of higher-ranked staff out of work. But the Professional and Executive Recruitment agency still keeps count of the copies of its free weekly listing of job vacancies which are sent to unemployed people with previous experience in different fields.

Experienced staff listed as unemployed	Number on 1/7/83	Number on 1/9/83	% fall 1/7-1/9	Number on 1/11/83	% fall 1/9-1/11
Departmental managers other than production	17,418	16,666	4.3	16,422	1.5
Sales and marketing	12,469	11,903	4.5	11,542	3.0
Draughtspeople and technical support	8,180	7,807	4.6	7,420	5.0
Engineers other than electronics	7,760	7,600	2.1	7,336	3.5
Production managers	4,320	4,048	6.3	3,806	6.0
Accounting staff	3,490	3,329	4.6	3,186	4.3
Data processing and management services	2,831	2,700	4.6	2,537	6.0
Scientists	2,492	2,370	4.9	2,347	1.0
Estimating, work-study and statistics	2,121	2,004	5.5	1,896	5.4
Personnel	1,763	1,753	0.6	1,723	1.7
Purchasing	1,724	1,638	5.0	1,606	2.0
Electronics engineers	1,013	953	5.9	896	6.0
Total	65,581	62,771	4.3	60,717	3.3

The table above shows the outcomes of those counts at the start of July, September and this month. The figures have reduced consistently.

The 12 job categories covered exclude those, such as teaching, where numbers have shown big fluctuations from month to month over the past year or so, suggesting that the folk concerned have abandoned PER's Executive Post listing and concentrated on seeking work through other channels.

Even in the dozen categories included it is still posssible that the falls are due to cancellations of the listing rather than re-employment. But I doubt whether that can be entirely the explanation. I feel almost safe in concluding that executive employment is on its way down again, albeit slowly.

Match-maker

PRACTICAL and profitable innovations seem to be at best a rare by-product of the thinking that goes on in universities. Dons are usually absorbed in researching intellectual concepts such as isomorphism with the aim of shedding light on other concepts such as anomic structuration.

Even if along the way they opened up the prospect of producing a building material safer as well as superior and cheaper than asbestos, they would quite probably never notice. Unless —that is—they were prodded into doing so by somebody with fluent understanding both of academic science and technology and of the new-product concerns of *industry* and commerce.

Somebody like that is wanted keenly by the University of Wales Institute of Science and Technology in Cardiff as director of its impending new industrial liaison unit.

As well as keeping an informed eye on UWIST's wide-ranging research activity (which calls for tact and appreciation of academic politics), the recruit will need to maintain sharp watch on industry for developments where the institute's help can earn it money. A good instance is when someone has spotted a promising market need and knocked together *something* which is almost but not quite the answer; academic knowledge can often make all the difference.

Candidates should also have the commercial nous to negotiate contracts giving UWIST a good return for its services and, since the job requires a stimulator and not *just* a go-between, an enterprising personality. Salary at professional level: about £20,000.

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Designate

Negotiable salary

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UK NEWS

Steel mills to compete for funds

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

A STRUGGLE could soon develop within the nationalised British Steel Corporation (BSC) with a Scottish mill and Welsh mill each competing for new investment.

The big Ravenscraig works, near Glasgow, and the Llanwern works in Wales will argue that they need modernisation and improvements to keep down their unit costs. But BSC is thought to be reluctant to approve both schemes.

The corporation is working with too much steelmaking capacity. Last December, it was instructed by the Government to maintain all five of its integrated mills although Mr Ian MacGregor, BSC's then chairman, wanted to close the Ravenscraig plant.

Ravenscraig now wants to improve its continuous casting production, possibly adding another casting strand to this energy-efficient and modern production system.

Llanwern faces a more critical decision on installing a completely new continuous casting plant. The Welsh mill, despite a remarkable production record, still uses the more antiquated ingot method for steelmaking in which molten steel is first poured into ingot moulds and has to be remelted to be cast into slab.

Last year, the Government approved £665m capital investment programme for British Steel from 1983 to 1986.

GOVERNMENT PUBLISHES BRUSSELS PLANS ON WORKERS' RIGHTS

Cool reception for EEC directives

BY JOHN LLOYD, LABOUR EDITOR

THE EXTENT of the UK Government's disillusionment with the European Commission's proposals on workers' rights – the Vredeling and the Fifth Directives – is clearly shown in a consultative paper*, issued yesterday.

The paper is less a description of the proposals – though it does describe them, and actually reproduces them in an annex – than a sustained, closely-argued polemic against their provisions. In asking *for views on the directives – by February 1984* – the Government has heavily guided its potential respondents towards their negative side.

The general statement, which prefaces the proposals, says the Government has "profound reservations" and that legislation in this area would do nothing to meet the challenge of reducing unemployment in the Community. It would be more likely to disrupt existing good industrial relations practices, it says.

As the paper emphasises, stronger feelings from the UK business community have been evident over the Vredeling directive than the Fifth – surprisingly, since the latter is in some ways a more radical document.

The Vredeling Directive contains the following major elements:

- It covers all enterprises in the UK employing more than *1,000* workers; subsidiaries of enterprises are given no *threshold. If action is* taken against a company for non-compliance with a parent outside the EEC, the subsidiary is held liable even when it has been obeying the parent's directives.
- Employees' representatives have rights to information on matters such as the undertaking's structure, economic and financial situation, employment and investment prospects. If their request for informa*tion to management is not satisfied* within 30 days, they can "bypass" to senior management.
- Any decisions liable to have "serious consequences" for employees must be the subject of consultation with employee representatives "with a view to attempting to reach agreement." This process must occur "in good time before a final decision is taken."
- Confidential information can be witheld from employees, but only if judged secret by a tribunal: employees' representatives would be required to maintain discretion about such confidential information as they receive.
- Undertakings whose objectives are mainly "political, religious, humanitarian, charitable, educational, scientific or artistic" or "related to public information or expression of opinion" are exempt from the provisions.

The Fifth Directive will require widespread changes in UK compa*ny law. Its main* effect would be to ensure the presence of workers on a company board, or to ensure that workers representatives are consulted as if they were on the board.

This directive once again applies to public companies – co-operatives are exempt – with more than 1,000 employees, though it will not apply where a majority of the workforce votes against it.

Its original drafting took place in the mid-1970s, when developments in West Germany – an extension of the co-determination law, in 1976 – in France – the *Sudreau Report* on industrial democracy in 1975 – and the UK – the Bullock Report on industrial democracy in 1977 – pointed towards statutory forms of workers' involvement.

Only the West German system remains, and the tide throughout most of Europe – except in France – has turned against these initiatives.

The board structure proposed by the Fifth is either two-tier or unitary, the latter assumed to contain an element of non-executive directors. These latter correspond to the "supervisory" board in a two-tier system, while the executive directors correspond to the administrative board.

Worker-directors can get to either board in one of four ways:

- All employees elect their repre*sentatives.*
- A special forum, to be known as a works council, is set up. *It is* separate from the board but has the right to be consulted on all matters which would go to the supervisory board or to the non-executive directors.
- Collective bargaining can establish representation similar to that achieved by the above two options.
- The supervisory board fills its vacancies by co-option, but employees and shareholders can make their own nominations and veto appointments. This allows both of these groups to influence the choice of directors, but not necessarily to have direct representation on the boards.

Worker directors must comprise no less than a third, and no more than half, of a supervisory board or of the number of executive directors. Though the Fifth has certain similarities to the Bullock Report proposals, *it challenges* union power in that it provides a vote for all workers, whether unionised or not.

The departments of Employment and of Trade and Industry want views from all interested parties. Comments on the directives should be sent to Department of Employment.

* *Draft European Communities Directives Department of Employment (IRA3), Caxton House Tothill Street, London SW1H 9NF.*

Volvo may become 'Britain's most profitable truck maker'

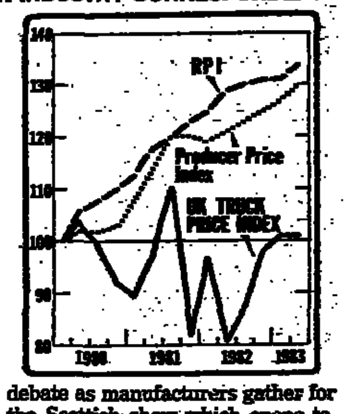
BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

VOLVO is this year likely to become the UK's most profitable manufacturer of heavy trucks and buses, Mr Bernt Brandtzaeg, managing director of Volvo Trucks (Great Britain) said yesterday.

Last year the company, which also imports trucks from its Swedish parent, made a pre-tax profit of £3.4m on sales of £116m.

Speaking during the run-up to the Scottish Motor Show, Mr Brandtzaeg said the company would build 1,875 trucks and buses at its Scottish plant at Irvine, Ayrshire, compared with 1,474 in 1982.

The increasingly damaging price war among Europe's truck makers has been one of the major topics for debate as manufacturers gather for the Scottish show which opens tomorrow.



Price battles are particularly severe in the UK where actual prices paid for trucks have been almost unchanged for two years, in spite of a substantial rise in raw material costs.

"The long-term future of the European truck business could be at risk because of the very low prices now being paid for trucks," one senior executive of a UK-based company said.

Coupled with the relatively weak demand for heavy trucks in Britain, the price war has prevented UK manufacturers from gaining any benefits from their programme of severe cost cutting and reduction in capacity.

FINANCIAL FUTURES

Enter the package deal

By David Lascelles, Banking Correspondent

Dealing on the London International Financial Futures Exchange Trevor Humphries

A YEAR after the start-up of the London International Financial Futures Exchange (LIFFE), these new-fangled hedging devices still seem to be the source of more bewilderment than benefit. But specialists, who think businessmen would be ready to use them if only they were spared the technicalities, see an opportunity here.

A growing number of them—mainly merchant banks—are putting together packaged services which enable clients to protect themselves against swings in interest rates or currencies but require virtually no knowledge of hedging techniques at all.

"If Mrs Smith wants a new kitchen, she can either get in all the bits and pieces herself, or she can call in a contractor. That's more expensive, but it's a lot more convenient," said Mr John Heywood, director of foreign exchange at Hambros Bank which has just introduced a currency hedging service which it is touting as "simple to use as the conventional foreign exchange market."

All the indications are that if financial futures are to flourish, it will be through packages. In the U.S., where Wall Street firms and banks have been offering these services for about three years, they now account for the biggest chunk of new business.

In the UK, where all this is still in its infancy, company treasurers who have tried the package say they probably would not have ventured into financial futures without them, but profess to be pleased that they did.

"It costs money, but it 's certainly profitable for us," said the corporate treasurer of a large consumer finance company which uses an interest rate guarantee service from Hill Samuel, the London merchant bank, to lock in its cost of funds.

New services are now coming along thick and fast. Hill Samuel has just introduced a second interest rate hedging package, and will shortly offer a currency one, too. Midland Bank, the only UK clearer so far to offer a formalised service, guarantees interest rates on future deposits, and plans a similar service for loans. U.S. firms, such as Merrill Lynch, Salomon Brothers and Citibank have begun to market services they developed in New York, or launch new ones for European clients.

What they have in common is that the firm offering the service takes on part or all of the risk of an unfavourable shift in interest rates or currencies—at a price. But the way this is done varies enormously.

According to Mr Rick Stern, managing director of hedging services at Merrill Lynch, one of the first firms to get into the packaging business, no technique is tried and true. "It all depends on who your client is and what he wants," he says.

The first U.S. services were quite simple. In 1981 Merrill introduced an interest rate "capping" package that indemnified clients if the prime rate went up. Like an auto insurance policy with an excess, clients could take on the risk of the first 1 or 2 per cent rise themselves, in which case the package cost less.

Hill Samuel's first scheme, which was formally launched two years ago and has now done $500m of business, guarantees an interest rate on future borrowings or deposits in major currencies for a relatively small cost of 0.1 per cent per annum of the sum involved. If the market moves against the client, Hill Samuel makes good the loss. But the catch is that if the market goes the client's way, any profit has to be paid back to Hill Samuel.

Although these services are quite cheap, they are not that flexible. The Hill Samuel scheme, for example, locks the client in to an interest rate and allows him to plan ahead, but it makes it hard for him to take advantage of favourable moves in the market.

To correct this, firms are now perfecting more sophisticated packages that give clients greater flexibility—but also cost a lot more. Most are based on the option concept, which gives the client a let-out; what one satisfied user called "a heads I win, tails you lose" proposition. (Like all users interviewed for this article, he asked not to be identified for fear of being swamped by salesmen.)

A client buys an option which entitles him to use the service if the market moves against him, so he knows he is protected against risk. But if things go his way, he simply fails to exercise the option and lets it lapse.

But this greater flexibility is expensive. Hill Samuel's new interest rate option service, for example, costs up to five times as much as the guarantee scheme.

A variation is the warrant idea marketed by Salomon Brothers: instead of an option, the would-be hedger buys a warrant in the open market carrying the right to acquire foreign exchange at a given rate some time in the future.

The Hambros currency scheme is also option-based, and as Mr Heywood points out, it can be tailor-made to suit the client's needs as to the amount, the exchange rate and the maturity date, whereas anyone dealing directly in the futures markets is tied to the standard contracts traded there.

Currency options are also more flexible than the traditional forward foreign exchange market where a corporate treasurer must commit himself to buying currency some way ahead, regardless of what happens to exchange rates in the meantime. Options also give companies a way to lock in funds for contingencies, the classic case being a businessman tendering for a contract in a foreign currency: if he wins the contract, he knows what his currency costs will be; if not, he lets it lapse.

The firm offering the service can hedge the risk it assumes in several ways. "It's entirely up to us, and what our books look like," said Mr Heywood of Hambros.

Normally, the firm will hedge in the futures market (LIFFE) or on U.S. exchanges such as the Philadelphia currency options exchange. But it can also do it in the inter-bank or forward markets, and even in-house by matching two clients' mirror positions on its own books. In some cases it could take a view of the market, and carry the risk unhedged.

As Brian McNamara of Hill Samuel points out, the attraction of packages is that they need not cut across a customer's relations with his bank. A company can arrange a future loan or a deposit with its commercial bank, and then hedge it through a specialist.

Will banks not want to get into the hedging market, too? In the U.S., that is already the case. Almost every major bank has a financial futures subsidiary which competes directly with the investment banks. And as Midland's entry into the UK futures market shows, the practice is spreading. Citibank will not only hedge on its own depositors' and borrowers' behalf, but offers merchant bank-style hedging packages for companies with deposits or loans at other banks. "They don't have to bank with us," said Michael Holland of Citibank's London office.

Some bankers have reservations, however. A senior official at one of the London clearing banks wondered whether it was appropriate for a bank to tout for risk business. "I think we should be very cautious about it," he said.

The most likely market for the packages are medium-sized companies with fairly sophisticated financial needs—but without the skills to go directly into the hedging markets. The big multinationals can probably do it themselves—though packages are more flexible.

However, there are legal and tax restrictions. In New York, a special law had to be passed to allow life insurance companies to use hedging instruments, and in the UK, the cost of buying a hedging package or option qualifies as a business expense only if it covers a genuine underlying transaction. Packages cannot be used just to speculate in the markets.

Nevertheless, packages conveniently disguise the use of financial futures—which are still associated in many people's minds with high-risk commodities markets. This makes it easier for a corporate treasurer to sell the idea to his board.

Further ahead, the market may extend to other users, such as local authorities and even building societies. At least one London borough is believed to be looking at interest rate hedging packages to lock in its funding costs. And as the building societies develop more sophisticated financing techniques, hedging packages would help them plan their future mortgage commitments.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Coffee giants stir it up

Carla Rapoport on the major new challenge posed by General Foods

FORGET Brazilian frosts. Forget the price of green coffee beans in Bogota. The price of a cup of home-brewed coffee can only go down in the next few months as Britain becomes the staging ground for a battle between the coffee giants.

General Foods of the U.S., which sells the most coffee in the world, is preparing to fire the first shot. The group will shortly unveil a multi-million pound nationwide launch of its ground coffee, Maxwell House Master Blend—its biggest UK product launch to date. General Foods has one simple goal in mind: to become brand leader in the ground coffee market as swiftly as possible.

Bouyant growth in vast portions of the UK food manufacturing industry is nearly a forgotten concept. For example, the UK instant coffee market, in which General Foods has long been a major player, has shown scarcely any real growth over the past few years. But the ground coffee market is quite another matter.

In just four years, the British appetite for fresh-brewed ground coffee has grown spectacularly. From just 5 per cent of the volume of coffee bought for domestic consumption in 1979, ground coffee is now about 15 per cent of the total.

In money terms, the figures are even more seductive. In 1979, Britain's ground coffee retail sales were around £15m; this year they will be around £42m, with 20 per cent growth registered in 1983. In five years' time, that total is expected to double as more coffee drinkers trade up from instant or increase their consumption of fresh-brewed coffee.

This kind of growth has already attracted a string of new companies. The defending champion is still Lyons Tetley, a division of the Allied-Lyons group. Lyons has maintained brand leadership in the market, but has seen its hold on ground coffee carved up in recent years by the new competitors. Chief among these have been Kenco (Cadbury Schweppes) and Melitta, part of the German group Melitta Bentz.

"I can't think of any market more competitive than this one," says David Soffe, managing director of General Foods UK. "The winners will stay and see a lot of growth, but the losers will disappear."

With the results of just one year of test marketing in the south of England, General Foods is now preparing to spend over £4m in the next 12 months on nationwide advertising and promotions for Maxwell House Master Blend.

In case any coffee drinkers miss the television blitz, milkmen across the country will deliver some 10m samples of the coffee on their rounds in the course of the year.

"We don't have 'a let's go out and see what's happening' attitude," says Soffe. "Our attitude is: let's become brand leaders even if it takes four or five years. We are prepared to lose money for a considerable amount of time in order to reach this goal.

"If you aren't brand leader, you don't make money," claims Soffe. "If you are the brand leader, you can exert some control on prices and margins. But if you are third or fourth, you just have to wait."

The battle ahead of General Foods is certain to be a tough one. "We don't intend to lie down and let them have it," says Patricia Michael, product manager for Melitta, which has about 14 per cent of the UK ground coffee market but a much larger share of the fast-growing filter-fine coffee used in filter coffee makers. Michael and others point out that Maxwell House has a strong association with instant coffee in the consumer's mind, and this may hinder the new product's growth.

Nonetheless, all the competitors are stepping up their advertising budgets for the new year. Lyons, which hadn't spent a penny yet this year, this week launches a £4m TV and promotional campaign to support its ground coffee. The new campaign aims to establish Lyons as an authority on coffee, thus building on its long years in the UK market.

Those years haven't been particularly successful in the ground coffee market, however. From a handsome 60 per cent of the market in the early 1970s, Lyons has seen its share consistently drop, to around 30 per cent today. Even so, the growth in the market has kept volume growing, and the group aims at least to hold onto its brand leadership position.

"We are delighted to see the amount of support that other manufacturers are putting into the market, which can only help it to grow," Patrick Cannon, marketing manager for coffee at Lyons, said this week.

He added with a somewhat different tone of voice: "Of the new entrants to the market, General Foods (in its test-marketing in the south) has not been the most successful to date and we are most surprised at their reported level of investment."

Soffe readily admits that "distribution," an industry jargon word for getting large retailers to accept your product, did move slowly for Master Blend in its test. Now, however, with 75 per cent of the stores in the region accepting the product, he says that market share has climbed from 10 per cent to 13 per cent. Where the coffee is in stock, he claims Maxwell House Master Blend has collared between 16 and 20 per cent of the total purchases of ground coffee.

Kenco, the fast growing number two in the market, claims to be fairly well insulated from the General Foods attack because of its link with the well-known filter coffee used in restaurants, also called Kenco. The group has done phenomenally well in the ground coffee market to date, pushing up its market share from 7.9 per cent in 1979 to around 20 per cent today.

Another concern for General Foods is the prospect of its ground coffee cannibalising its instant coffee sales. Soffe points out, however, that during the test marketing, ground coffee sales grew by 36 per cent, while instant staged a 1 per cent advance.

He also points out that UK consumers now drink a remarkable three cups of coffee a day, compared with two cups a day downed by Americans. Further, UK consumers down four cups daily of tea, down from seven cups at the country's tea-drinking peak. "We've always got those other four cups of tea to conquer," says Soffe.

He admits that in his 27 years with General Foods, the group has stubbed its toes a few times. "I helped introduce the world's most unpalatable dog food," he says with a laugh. "It was dry and dog owners wouldn't have it."

Coffee, he says, is a different story. "People know it's easy and quick to have real coffee, that it tastes better."

With price discounts and promotions galore soon to come, it will be the UK consumer who will decide the fate of Maxwell House Master Blend.

AD HOC

MAJOR post offices in the UK next week are likely to look more like betting shops—full of eager crowds clustered round television screens. The cause of the excitement will be the new high street video based advertising medium known as QTV which goes on the air next Monday in 500 offices. A joint venture between the Post Office and Realmhealth Video, it consists of a 15 minute reel of ads which will be shown continuously during opening hours. The first reel is already sold out, and has attracted key advertisers like Kimberley-Clark, Canon UK, National Girobank, Maxwell House, Avon and Asda. January is already half sold.

●

FOLLOWING in the footsteps of film stars and the advertising industry, the PR world has decided to award itself prizes. The Institute of Public Relations which represents some 23,000 individual practitioners—the largest of its kind outside the States—is introducing its Swords of Excellence Awards. The idea is to highlight exceptional work in the field as well as to promote better public understanding of an industry that often complains of being under-rated. Full case studies covering all stages of a PR exercise from research through planning, strategy execution and evaluation, must be submitted by February 24 to IPR, 1 Great James Street, London WC1.

●

FRESH from its launch at the national conference of the Confederation of British Industry, comes a booklet called Working for Customers, aimed as spurring captains and ratings of industry into winning back Britain's former share of world markets.

Written by David Bernstein—arguably the advertising industry's favourite speaker and, on this evidence, a clever writer—the pep talk is excellently readable and stimulating. Bernstein says the book is on "selling goods that don't come back to customers that do."

Available from Publication Sales,CBI, Centre Point, 103 New Oxford Street, London W1. £2.50 inc p+p.

Agencies look forward to a new breed of advertiser

BY FEONA McEWAN

"OUR research showed that stockbrokers had a pretty dubious image. People weren't aware of what we were about." So says Fred Carr of the stockbroking firm, Capel-Cure Myers, explaining what inspired his company's unlikely presence on some British television screens last week in prime viewing time.

This is another symptom of the new breed of advertiser being spawned in today's competitive climate—professional firms hitherto restricted by voluntary codes or innate conservatism. They are emerging as a new force in the advertising arena giving the industry a welcome new business base—even if, at present, the sums involved are comparatively modest.

The arguments about whether or not to advertise have been well rehearsed in recent years. Like it or not, the signs are that, sooner or later, advertising will become a survival tool for solicitors, accountants, surveyors, architects, and if the Office of Fair Trading has its way, opticians, dentists and vets too. Privately many bodies are admitting that it's only a matter of time before rules are relaxed, subject of course to suitable controls.

Of the professions, stockbrokers have a head start—nine years of print advertising and six of radio and television—though only a handful have had the commercial nose to take advantage. Capel-Cure Myers, one of the most marketing minded firms, is well pleased with its latest effort.

"To some extent it is a hearts and minds operation, benefitting the whole Stock Exchange. In fact it's surprising they haven't done it themselves," says Carr of Capel-Cure Myers.

Buckmaster and Moore, which believes it was the first stockbroking firm to use television for recruitment advertising in 1981, is currently running a press-only campaign. "Our experience certainly proves it's a worthwhile exercise for private clients, though its value in other areas is limited," says Colin Mitchell, one of the partners. "Continuity matters, there's no point in a one-off ad. We run one a week for 30 weeks. The response diminishes but the quality improves." And he adds: "We would consider television if it was cheaper and we were sure of the audience."

Elsewhere other professions are gingerly shaking off their advertising prejudices. Last week architects took a firm step down the commercial road when the Royal Institute of British Architects decided in priciple to allow its members to advertise in printed publications.

Chartered accountants are deeply divided on the advertising issue. Members of the two main audit bodies are currently being canvassed for their views. The English Institute urges complete liberalisation on both publicity and advertising fronts.

Good taste

President Eddie Ray believes passionately: "We can't stand still. Much of our work is giving advice on taxation, recruitment, computers — areas where we're totally in competition with many others. Less than half our work is auditing. It's very much in the public interest that we can advertise and publicise our services. We are better qualified than many, yet we can't declare it. We would implement a strict professional code of practice, no touting, no superiority or knocking copy and with general rules of good taste. It won't be a second-hand car dealer approach."

The Scottish institute, on the other hand, favours allowing publicity only. Traditional resistance comes from the other audit body, the Association of Certified Accountants, whose members are mainly in commerce and so have less need to advertise. "The day my doctor says he'll advertise is the day I change my doctor," is how the president, Newton Grant, explains the ACA position.

The advertising industry has itself urged the Law Society to relax its ban on advertising. "It's getting a hell of a lot of criticism from all quarters," says Philip Cross, legal advisor to the Institute of Practitioners in Advertising. "For instance, solicitors say that it is ridiculous for people to go to banks for probate work because we can do it cheaper. We'd like to be able to tell people about it."

Tentative conversations are already taking place between advertising agencies and professional bodies and individual practices. Agencies in general welcome the potential new market though there may be a learning process on both sides. "Most of the professions are governed by fairly strict central bodies which are very conservative and not used to promotion so there'll be double the educating process: the bodies and the individuals," says Ron Leagas of Leagas Delaney.

"The interesting thing," says Bert de Vos, chairman of D'Arcy MacManus Masius," is whether they will favour a corporate or a federal campaign. If they're to have effective clout as a corporate entity it may pay to advertise as a group.

"It's the sort of business agencies find fascinating," says McCann's chairman, Alban Lloyd "... looking at professions which, in promotion terms, have been untouched for decades. A lot of creative people will flock to work on such accounts."

Such a new market, he feels will raise some moot points. "I don't know at this stage where the minefields are but it will be fascinating to see where the selling points are—price perhaps or speed of service? It raises some very interesting issues."

Next Monday the next salvo in the advertising argument is fired when Sir Gordon Borrie, director general of the Office of Fair Trading, delivers a talk to the Incoprorated Society of Valuers and Auctioneers. Among other issues, he will have in his sights accountants, vets, opticians and solicitors who have shown little if any movement in the last few years on the issue.

The OFT holds that lack of advertising leads to less competition: hence prices are often steeper than necessary and in some instances poorer service results. The opticians are a clear case in point. The OFT has concluded that prices could be dramatically lowered, by up to 28 per cent, if advertising were allowed, without profits being affected. And the American experience in this area gives conclusive evidence to support their case.

THE ARTS

William Dobson/National Portrait Gallery

David Piper

For King and country

Visitors admire Dobson's portrait of "John, 1st Baron Byron" *Trevor Humphries*

John Aubrey, writing in the late seventeenth century, noted that "William Dobson was the most excellent painter that England hath yet bred." The present exhibition of his work however is only the second one-man show he has had (National Portrait Gallery, until January 8). The first was at the Tate, way back in 1951, and probably not many people remember that. At the Portrait Gallery, he follows on the Van Dyck display in the same rooms last year, and though there is no single picture that matches the best of Van Dyck in quality, there are some that run him close on achievement.

Van Dyck died late in 1641, only a few months before the Civil Wars began as Charles I's standards were raised at Edgehill. Dobson was then thirty years old, and Van Dyck's mantle, that of the painter of the Caroline court, fell on him. The work of his maturity was fated however to be contained within five years, as he died (perhaps from being "somewhat loose and irregular in his way of living," as observed by an early commentator) in 1646 aged only 36. The arena of his activity was not his native London, but between 1642 and spring 1646, Oxford, and his clientele had the embattled royalists centred on the court that Charles 1 established there.

Many have discerned in the moody elegance, that Van Dyck characterised with such subtlety in the courtiers of the 1630s in London, intimations of impending tragedy. By the time they sat to Dobson in Oxford, calamity was upon them, and the romantic glamour of chivalry and pageantry that invests Van Dyck's image was somewhat dispersed by the actuality of combat and the gradually foundering fortunes of the Royalist cause. True, a few of Dobson's sitters appear armoured from neck to knee, but most, if in armour at all, depend on a simple cuirass over the buff coat. This was the light combat dress that the swift movement of cavalry demanded in a new style of warfare. Swords are not in great prominence, but the weapon of advanced high technology, the pistol, appears lovingly painted in detail, in at least three portraits. In one, the unidentified officer portrayed has his wheel-lock pistol in his left hand and the spanner to wind it in his right. I cannot recall that a pistol occurs in any portrait by Van Dyck.

The portraits, however, are far from lacking in the picturesque finery of the time and show no signs of the drab camouflage uniformity of the 20th century soldier. Even in Oxford, in the straitened circumstance of war, they blaze and glitter, with the shine of steel, the sparkle of sequins sewn on coats or breeches, with a generous, loose abundance of fine white linen and lace at throat and wrists, with yellow silk and satin, and perhaps a touch of azure blue ribbon, all keyed by the rich red sash of the loyalist cause. Their hair may be somewhat dishevelled, but still worn long à la Van Dyck. Dobson indeed acknowledges his debt to Van Dyck again and again in his work: he adapts from Van Dyck portraits and attributes—a faithful hound features several times—and compositions—but always variations on Van Dyck's themes, and never slavish copies (such as Robert Walker, painter of the triumphant Parliamentarians, made with sometimes macabre effect, even substituting, in one of Van Dyck's designs for Charles I, Cromwell's head for that of the decapitated monarch). Van Dyck's white horse allotted to Charles does, however, appear in two of Dobson's more ambitious portraits.

Yet Dobson is always clearly distinct from Van Dyck, but like Van Dyck but not via Van Dyck, he was clearly fascinated by and loved the great Venetians, especially Titian, whose work was so wonderfully and availably represented in the Royal Collection until dispersed by the victorious Parliamentarians. It is from a continental tradition that Dobson took his delight in enriching the content of his portraits by showing in them classical mythological or allegorical scenes in the form of bas reliefs, or very often, busts. At times, his handling of paint, a broken texture of rich colour over a ground of thin paint, seems to acknowledge the Venetian effects.

His characterisations, in the faces of these soldiers, is quite distinct from Van Dyck's. Both Van Dyck and Dobson appear reasonably, indeed sometimes unexpectedly, faithful in their presentation, amidst so much sweep of colour and line controlling the overall composition, of the particularities of each individual phiz. Yet both, also, present their physiognomies as if in some mysterious way they are related to the painter's own features, as if they were his blood relatives, cousins, perhaps. This is a narcissistic phenomenon that has often been commented on, and can be discerned in the contrast of, for example, some sitters as portrayed both by Gainsborough and Reynolds. So Dobson's sitters tend to be fuller in face, physically more robust than Van Dyck's, as Dobson himself—shown here in some formidable self-portraits—clearly was. It is perhaps unexpected that only two of the sitters in this show prove to have been killed in the war—the proportion, in the Van Dyck exhibition, was far higher. With Dobson, men face their present times apparently with more, if unwarranted confidence. Lord Byron, as if eyes burning bright, heavy moustache and prominent wart were not enough, displays with panache the blackened scar on his cheek from a wound in a cavalry skirmish.

The Byron portrait is a characteristic example of Dobson's more ambitious compositions, somewhat uncomfortably resolved, in spite of which it carries a formidable punch. Still stranger (and like the Byron, including the white horse borrowed from Van Dyck's stable) is the whole-length in full armour of Lord Peterborough, with a very odd clench of action towards the upper-right-hand part of the canvas—the white horse's head, held by an apprehensive groom, and an inexplicable winged cupid, with urchin's features expressive of severe brain damage, handing Lord Peterborough a very large helmet. The combination of gauche characterisation, with grand sweep of drapery, twist of columns, classical bas relief, and white horse, suggest an unparalleled exercise in the mock-heroic. On the other hand, a certain louche quality in the magnificent triple portrait of Prince Rupert and two colleagues drinking, only enhances its bravura.

I hope the exhibition will attract many visitors. Though I don't quite go along with the claim that Dobson is "without doubt the most distinguished native-born artist before Hogarth" (only so if you exclude these marvellous miniaturists, Hilliard and Samuel Cooper), his was a talent both puzzling and exhilarating, and one most unjustly overlooked. Had he only been spared to live longer . . .

Dear Anyone/Cambridge

Michael Coveney

The idea that the personal life of an agony aunt is (a) interesting or (b) important seems to me spurious at the best of times. At the worst, these cut-price philosophers whose mildly sensible ramblings take on the prominence of Cassandra or James Cameron in the plummeting standards of internecine warfare on the popular dailies (challenged only by camp astrologists or bloated sports commentators) are positively trivial.

This import from the Birmingham Rep, with lyrics by Don Black, music by Geoff Stephens and book by Jack Rosenthal, is a competent mini-opera built around the appointment of Jane Lapotaire as Mercedes to the post on the New York Daily Globe of Pandora, whose mailbox is full of blood, sweat and tears. As she hives off these problems to her secretarial staff, so her own relationship with Danny (Peter Blake) goes down the drain.

It is like watching a wan rehash of Elmer Rice's *Street Scene*, Sondheim's *Company* and ITV's *Agony*. The world slips by, literally dragging its feet to the uninteresting rhythms of the score while Mercedes takes an unconscionable time to decide that this job gets in the way of domestic bliss.

But, wait a minute, here comes good old Stubby Kaye to liven things up as the office loyalist eventually graduating, with a shameless echo of his showstopper in *Guys and Dolls*, to features editor. And the Globe world is magnificently suggested in Ralph Koltai's set of a steel-plated astrolabe which places the main action on a central tier while, below, characters twirl through revolving doors and neon-lit greenery. The upper level in this design scheme is scandalously under-employed, correspondents and computer-dealing husband sliding in and out on boring old trucks.

Mr Rosenthal's book occasionally raises the evening on some sprightly, Jewish-based gag-spinning, but the overriding impression is of grinding mediocrity coming at you through clenched teeth. It is no better than Don Black's previous album-turned West End show, *Tell Me On A Sunday* (half of the *Song and Dance* bill), and just as middlebrow.

Miss Lapotaire's performance, which is the same as her Piaf only turned inside out for popular consumption, displays all those strong and admirable qualities of full-throated vocal range, sparkling vulnerability and sharp-edged characterisation. One is only left to wonder how somebody so attractive should be so stupid as to attach any importance to the role of sexual and psychological physician to people who write in when, quite obviously, they should be seeing their doctors or at least some friendly neighbourhood fully-qualified psychiatrist.

In a world where cheap-jack psychoanalysis is readily available to any gullible punter, it would have been more *à propos* for a musical with serious intentions to blow away a few of these harmful supermarket fallacies. Instead, we are left with a soft-soap, a trashy hymn to the life and times of a mixed-up self-appointed newspaper physician. She cures herself, but by that time nobody much cares. Or rather, I didn't.

Trisha Brown/Riverside

Clement Crisp

Trisha Brown's programme at Riverside began on a fine theatrical note on Tuesday with five members of her company bearing a sixth dancer horizontally above their heads, as if she were walking sideways along the back wall of the studio. Above them are three gauze structures — Robert Rauschenberg the designer of this *Set and Reset*—filled with flickering black and white film sequences. The dancers are clad in equally gauzy black and white outfits, and the dance that evolves is elastic, limb-swinging, compact of incident made up from falls and flying leaps, jerks and twitches. Tracks of movement spread over the stage, the dancers swerving past each other, colliding, passing and turning in unexpected yet somehow logical phrases of activity. There is a desperately unappealing sound-track by Laurie Anderson, but the dance is self-sufficient, fascinating. Miss Brown's own performance is dominant in the event, with its lean, purposeful energy; her companions are fine dancers, but they cannot rival the integrity and gestural sharpness — the dance cut clean in space—of the choreographer's manner.

Trisha Brown is a central figure in the newest American dance and *Set and Reset*, dating from this year, represents her latest style. It is one which I found much richer in texture and more resonantly theatrical than the other and earlier pieces in this first of two programmes which will occupy the rest of the week at Riverside. Both *Opal Loop* (1980) and *Line-Up* (1977) are drier, skeletal, and far less persuasive as expositions of danced minimalism. *Opal Loop* finds four dancers doing their own jiggling thing, contained in their small areas of activity, though there is an attractive sequence in which the actions of two dancers in duet are complemented by two soloists who reflect the poses of the pair and establish intriguing echo effects. *Line-Up* is even balder and more uncompromising in showing non-dance as dance. Wooden battens are manipulated by five dancers; they move consciously out of alignment, and then reverse the process by staying determinedly in line. The bare mechanics of minimalism are thin stuff for an audience, however engrossing they may be to the performers.

Philharmonia/Festival Hall

Andrew Clements

It is a sad irony that the year of the death of Sir Adrian Boult should finally see the establishment of Vernon Handley, his friend and long-time assistant, in the first rank of British conductors. Handley looks set to become a regular visitor to the South Bank this season with the London Philharmonic (of which he has become assistant conductor), and he appeared on Tuesday with the Philharmonia.

The orchestra gave of its best to him, the form it reserves for Riccardo Muti and distinguished visitors. In everything there was evidence of scrupulous and detailed preparation; even a vacuous trifle like Shostakovich's *Festive Overture* had been polished to an irresistible glitter. With violins divided left and right in the Boult fashion, Handley's contribution to Elgar's violin concerto had an authentic glow, a sweep and tonal richness that, had we not already known it, would have signalled a profound Elgarian.

That Nigel Kennedy proved to be an apparently uninvolved and uninvolving soloist mattered less than it might have done under a less sympathetic conductor. The tonal purity of his playing was impressive, as was his technical command of the finale in particular, but rarely have the closing pages of the slow movement seemed so unmoving, so short of poetic intensity.

Before the Elgar was reached, however, one could leave the concert satisfied that the price of a ticket had been well spent. *Our Hunting Fathers* is surely the masterpiece of Britten's pre-*Grimes* years; the invention is so vivid, the message so sharply honed and cunningly packaged. It still has the power to shock and move; goodness knows what it did to that unsuspecting Norwich audience at the premiere in 1936.

Now it is both prescient lexicon of the expressive devices of later Britten and fascinating hint of stylistic by-ways that remained unexplored. The desolate tuba calls in "Rats Away!" were put to memorable use in *Grimes*, but the Bergian deliquescence of the opening stanza of the "Epilogue," complete with alto saxophone, was never to be recalled.

Jill Gomez was the soprano, lacking the final edge of incisiveness in "Rats," and the opening of the chilling "Dance of Death," but otherwise totally assured and moving. The opaque verses of the "Prologue" had an entirely unforced expressiveness; "Messalina" was nicely overblown. Mr Handley revealed every conceit of the score with deft economy; the Philharmonia played with exhilarating accuracy.

False Admissions/Lyric Studio, Hammersmith

Martin Hoyle

John Price with Holly Wilson; unvaryingly paced evening *Alastair Muir*

Shared Experience is so determined not to smother Marivaux's *Fausses Confidences* with the fripperies and moppings and mowings of the *style galant* that Mike Alfred's direction goes to the other extreme. Black costumes, black silk walls lined with oval mirrors, a black glassy floor—all portray the funeral rites of a claustrophobic society, self-regarding and aridly acquisitive. Significantly the play gained popularity with the French Revolution.

Despite snideness from Voltaire—pipped at the post to a place in the Academie by the older writer—Marivaux is worth the trouble. Even his most artificial pieces culminate with the romantic leads sweeping aside the elaborate conventions of *commedia*-inspired intrigue and coming through loud and clear as human beings. This comparatively late play dispenses with stock disguises and servant/master transpositions, the plot kept spinning by the more recognisably human characteristics of mendacity, greed and vanity.

Nick Dunning's earnest, wide-eyed, deliberately - spoken Arlequin has nothing of his Italian cousin save a balletic deportment. Sam Dale's manipulating valet shoves his helpless betters round with bustling efficiency but little sparkle. "My mother's so frivolous!" exclaims Holly Wilson's attractive widow, but in general, frivolity has congealed despite well-earned laughs for Sandra Voe's pushy suburban matron on the make. Miss Wilson herself is not afraid to swish, flounce and arch her eyebrows. At first she startles by talking at a normal volume, a reminder perhaps that she is the one character not engaged in some sort of scheming on a stage tense with trimming, chancing, bluffing and manoeuvring.

This seriousness leaves one as morally uncomfortable as John Price's lugubriously hangdog suitor looks all evening. As chief victim of the hero's reprehensible tactics, a lady's companion duped into believing herself loved, Maggie Wells sums up the ambivalence of the production's modern view by being dignified and moving, instead of yet another biter bit. Her performance is more successful at indicating the comedy of sentiment that Marivaux heralded than the rest of the muted, unvaryingly paced evening.

American Music/Purcell Room

David Murray

Michael Blake (keyboard) and Jonathan Impett (trumpet) are a duo who could hardly be more enterprising, given their constitution. They are zealous in finding a modern repertoire, and in ringing all possible changes on their instrument-types, often in electronic directions. In their "Fifty Years of American Music" on Tuesday they had the alert assistance of Martin Allen (percussion) and Tim Payne (three sizes of saxophone as well as second piano), and contrived a remarkably wide-ranging programme. If the rewards were uneven, that was easily forgiven.

Two Old World transplants opened and closed the concert. Jacobo Ficher (born in Odessa, trained in St Petersburg, later a proselytiser for new music in Argentina) was represented by a lively neo-classical Sonatina for trio, spiced with bitonality and trading upon popular dance-styles. Much more original, the bebop-tinged 1950 Quartet of Stefan Wolpe—a pithy, pawky piece that should have had its first British performance long ago—was much worse treated. Played slowly, heavily and literally, it lost its improvisatory air and its fun; it can and should sound much more taking.

There were other historical *hommages*, not too pious: a characteristically rough, honest dance-piece by Henry Cowell, *Ritual of Wonder* (that was where the second piano was needed), with a tentative blues and some technical experiments, and some early John Cage. Cage's Sonata for Two Voices was expertly spelled out on soprano sax and marimba, and two of his *Amores* pieces for prepared piano — delicate, self-absorbed sounds — in the same deadpan manner; Cage music really expects a little more sense of occasion, and casts a less efficient spell without it.

Martin Arnold's new *Frank and Walter (Don't change when you say good-bye)* came with an apologetic programme-note by the composer ("an anachronism in regard to the development of my music . . .") but not apologetic enough. Limply sentimental phrases for electric flugelhorn — with ropey electronics — wandered hopefully over repeated patterns for a "Fender Rhodes," a smoochy electric-keyboard horror. In all respects Roger Reynolds' "... *the serpent snapping eye*" (the title comes out of *Moby Dick*) made a happier impression; though it offered no very cogent argument, its interplay between long computer-generated sounds and elegant comment and expansion by the live players was very seductive. The instrumental gestures were vivid, and the whole soundscape betrayed an acute, sybaritic ear.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

November 4–10

Exhibitions

LONDON

The National Gallery, Manet at Work: this year falls the centenary of Manet's death, which now, in the knowledge of the great old age achieved by his Impressionist contemporaries, whom he influenced so positively, seems so sadly premature. The great retrospective in Paris this summer clarified the nature and significance of his achievement. Here the National Gallery does not give us anything so comprehensive, but takes eight major works across the range of his career, and by simple scholarly exposition, shows us how he set about his business

The Royal Academy: Art of the Avant Garde in Russia 1910-30: a selection amounting to some 300 works from the astonishing collection formed since the War by George Costakis, sometime official in the Canadian Embassy to Moscow. The Russian artists in the years before and after the Revolution were as stimulated by the ideas and events of that time as their fellow-intellectuals and consequently denounced as decadent when Stalin decided they were too dangerously free and should be suppressed. One wonders how many more works are still under lock and key. Ends Nov 13

PARIS

Turner (1775–1851) – the exhibition traces the creative development of the artist who, although steeped in the great landscape-painters' tradition of the 18th century, becomes – through his fascination with the effects of light – one of the forerunners of abstract art. Grand Palais (Oct 15–Jan 16). Closed Tue (2615410)

Liège Modern Art Museum has lent its collection of choice items – one of Monet's first paintings and one of Gauguin's last. Also a surprising, Blue-period Picasso – to the Centre de la Communauté Française de Belgique. (Tel: 2712616), 11am–6pm, closed Mon. Ends Jan 8

The Land of Baal and Astarte. Ten thousand years of Syria's artistic development. Petit Palais (2651273). Ends Jan 8, 10am to 5.40pm. Closed Mondays

Balthus: 50 paintings and as many drawings are shown in the secretive painter's first retrospective in collaboration with the Metropolitan Museum. The accent is on his work in the thirties. Centre Georges Pompidou. Ends Jan 23, closed Tue (2771233)

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984

BRUSSELS

15th Century drawings from Belgian private collections – 100 drawings including Jordaens, Teniers, van Goyen, Tiepolo, Poussin and Fragonard. Société Générale de Banque. Ends Dec 21

WEST GERMANY

Nuremberg, Kunsthalle, 32 Lorenzer Straße 32: a survey of the contemporary arts scene in East Germany documented by more than 200 works by 13 artists. Ends Nov 15

Berlin, Nationalgalerie, 50 Potsdamer Strasse: 180 figurative and abstract wooden, bronze, wire and rolled-steel sculptures by Pablo Picasso. Ends Nov 27

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8

Munich, Lenbachhaus, 33 Luisenstrasse: 'Aktuell '83' offers a view of a sizeable part of today's European arts scene through 165 works (mainly paintings, sculptures, video and films) by 44 artists from Milan, Munich, Vienna and Zurich. Ends Nov 20

Berlin, Staatliche Kunsthalle, 44-46 Budapester Straße: The first venue in West Germany of a show comprising 160 paintings, drawings and graphics by Alex Coleville, the Canadian realist. Ends Nov 16

Kassel, Museum Fridericianum, Friedrichsplatz: "germination II" has works by 90 fine arts students from Britain, France and West Germany. Ends Nov 20

Stuttgart, Galerie der Stadt, 2 Schlossplatz: roughly 50 – rarely shown – landscapes painted in oil, water colour, or drawn by Oskar Schlemmer (1888 to 1943), the Bauhaus teacher. Ends Nov 27.

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

Rome: Vatican Palace, exhibition of '200 Years of American Paintings from the Thyssen-Bornemisza Collection'. Ends Nov 10

Berlin Festival Weeks

Ronald Holloway

THIS YEAR'S Berliner Festwochen, the 33rd Berlin Autumn Arts Festival developed into a unique encounter between East and West Europeans. The festival's motto – Symbolism and Futurism: Aspects of Russian Art at the Beginning of the 20th Century – introduced a vision of revolutionary art known only to admirers of this Dada-like movement in Moscow and St Petersburg in the years before and after October 1917.

Certainly the names of Vassily Kandinsky, Alexander Blok, Vsevolod Mayerhold and Vladimir Mayakovsky, Mussorgsky and Skriabin are familiar to us all, but the opportunities to place their accomplishments in painting and poetry, music and theatre, side by side for appreciation and analytical interpretation are indeed rare. Dr Ulrich Eckhardt accomplished this wonder somehow for Berlin.

The high point of the arts festival was the *Victory over the Sun (Sieg über die Sonne)* exhibit at the Academy of Fine Arts, along with just about everything that has to do with it. The Futuristic movement embraced art and music in the first decade of this century and burned itself out at the outbreak of the First World War: in Russia, it had its explosion during the performance of the futuristic opera, Victory over the Sun, in December 1913 in St Petersburg.

This symbolic victory of revolutionary art over reason was composed by Mikhail Matyushin, with text by Alexei Kruchonich, a prologue by Velimir Chlebnikov, and staging and costumes by Kasimir Malevich. A 312-page exhibit catalogue on the aspects of 20th-century art in Russia surrounding this scandalous event, prepared by Christiane Bauermeister and Nele Hertling, is a rich storehouse of information and critical essays on the period as a whole, containing a full biographical index of 135 names from every field of the arts. The opera itself was reconstructed and performed.

The second great event was a reconstruction of the *Pictures of an Exhibition* performance at the Friedrich Theater in Dessau on April 4 1928 under the direction and stage design of Kandinsky. This Bauhaus event, combining Mussorgsky's 1874-composed piano music with an abstract "stage-synthesis" design, was recaptured in its colour-and-form originality by a 17-member team of state-costume designers studying at the city's Hochschule der Künste. One had only to drift upstairs at the Academy to peruse the actual Kandinskys before a performance to feel right at home at the Bauhaus of the 1920s.

Seldom has an arts festival offered so many rediscovered attractions as this one: the music of Alexander Skriabin, the *Piano Optophonique* synthesis of music-form-colour by Vladimir Baranoff-Rossine, the film retrospective of Sergei Yutkevich, a Yutkevich production of Alexander Blok's symbolistic lyric-dramas *(The Stall/The Unknown)* at the Moscow Chamber Opera under the artistic direction of Boris Pokrowski, a German première of Daniil Charms' futuristic drama, Elizaveta Bam (marking the last flowering of experimental theatre in Leningrad in 1928), and several concerts on "Music and Futurism" over the four-week stretch, plus dramatic tributes to Mayerhold and Mayakowski.

These splendid cultural evenings in addition to two outstanding Polish theatre productions from Cracow (Jerzy Jarocki's production of Calderon's *Life Is a Dream)* and Wroclaw (Kazimierz Braun's production of Albert Camus' *The Pest – Dzuma*). And an Opus Anton Webern cycle. And György Ligeti, complete with compositional portrait and exhibit. And Daniel Barenboim and the Orchestre de Paris – performing Skriabin's *Poeme de l'Extase*. This was the kind of Berliner Festwochen that will go down in the city's cultural history.

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The modest Japanese yen

PRESIDENT REAGAN of the U.S. and Prime Minister Yasuhiro Nakasone of Japan are today to unveil one of the pre-packaged fruits of the President's visit—a set of measures designed to encourage investors and traders across the world to hold more yen-denominated assets than hitherto, and thus to provide at least transient support for the yen exchange rate.

The weakness of the yen, set against the strength of the dollar, has certainly exacerbated the trading tension between the two countries. Since the beginning of this decade the trade-weighted real effective exchange rate of the yen has dropped about 8 per cent, where that of the U.S. dollar has gone up by 15 per cent. The result is that U.S. exporters are battling against an exchange rate of Y236 to the U.S. dollar, when it is clear that Japanese industry would still be highly competitive at an exchange rate nearer Y200.

It is now broadly accepted that sinister market rigging by the Japanese authorities is not, and cannot be, responsible for this state of affairs. The undervaluation of the yen remains an equilibrium price because Japan's massive current account surplus is being offset by a net flow of capital out of the yen.

Theory

This flow is taking place partly because of a delayed-action surge of Japanese capital abroad following the lifting of exchange controls in December 1981, and partly because the U.S. dollar has been a good, liquid and high-yielding currency bet ever since. President Reagan will doubtless skirt around the point, but it is partly thanks to Japanese enthusiasm for the dollar that he has had so little trouble funding his mounting U.S. budget deficit.

The theory behind today's announcement is that this net outward capital flow could be offset—and the equilibrium exchange rate of the yen thereby increased—if the yen money and capital markets could be made more attractive and accessible for foreign money managers than they are at the moment. This cannot be a matter only of higher yen interest rates. In September, the Japanese commercial bank deposit rate of 6.9 per cent already looked draconian beside an inflation rate of 0.7 per cent per annum: the rest of the West needs all the internal economic activity Japan can generate.

Diversity

But it can be a matter of increasing the diversity and liqudity of short-term yen investments and of reducing bureaucratic interference in the rates they pay. Many western investors, from central banks to individuals, would be encouraged to hold a fatter cushion of yen liquidity if the Japanese Government would create a Japanese Treasury bill market, open up access to the commercial bill market, allow Japanese banks to compete on rates for major depositors, create a yen bankers acceptance market, be more flexible on the terms and negotiability of certificates of deposit, and encourage a greater use of the yen in the invoicing of Japan's trade.

Help may be on the way. The yen bonds which the Japanese Government began issuing in the mid-1970s when Japan started running budget deficits are now maturing at an increasing rate—rising from Y5.2 trillion ($22bn) this year to a steady annual flow of Y10-12 trillion in the second half of this decade.

An effective surrogate for yen Treasury bills will therefore be incerasingly available at matker rates which will put pressure on the tightly controlled deposit rates offered by the Japanese banks. The Japanese Government could therefare be forced willy-nilly to face up to the consequences of the financial liberalisation which its trading partners are requesting.

In the longer term the U.S. and Japan would do well to study jointly the assymetry which exists between them in their treatment of savers and borrowers and in their approach to monetary control.

Japan supports savers with tax breaks and controls credit expansion through rationing. The U.S. supports borrowers with tax breaks and controls credit expansion through interest rates. The result is a bias towards higher rates of interest in the U.S. than in Japan, and a tendency for the dollar to the higher yielding international asset. There could therefore be scope here for tax adjustments that would both reduce fiscal deficits and nudge the dollar/yen exchange rate towards a more realistic level.

Curbing union privileges

THE UNANIMOUS decision of the three appeal judges to allow the appeal of Mercury Communications and to halt the industrial action of the Post Office Engineering Union is of great importance — and not only because it will restrain this union in its campaign against the proposed privatisation of telecommunications in the UK. It may well also affect other industrial disputes.

By the Employment Act 1982, parliament has considerably narrowed the scope of industrial action which enjoys immunity under the Trade Union and Labour Relations Act 1974, exempting unions from liability for civil wrongs and damage they may cause when pursuing or promoting an industrial dispute. The 1982 Act provides that this privilege should apply only to disputes between the workers and their own employers — excluding secondary action—and that the dispute must be "wholly or mainly related" to employment, pay and conditions of service and not merely "connected" with them.

It came, therefore, as a great surprise when the High Court judge rejected Mercury's application to restrain the union, so that it seemed that the changes which parliament intended to make were not achieved. The judge thought the change in the wording of the statute did not really matter in the case before him. In this the Court of Appeal held him to be wrong. The change in the law was what everyone thought it to be—a move to eliminate, amongst others, politically-motivated strikes, and industrial action trying to force the employer to do things which were illegal or commercially crippling.

Immunity

The law as it was before 1982 was summed up by Lord Diplock in *N. W. L. Limited v. Woods*: "Immunity . . . is not forfeited by being stubborn or pig-headed. Neither, in my view, does it matter that the demand is made and the dispute pursued with more than one object in mind and that of those objects the predominant one is not the improvement of the terms and conditions of employment of those workers to whom the demand relates. Even if the predominant object were to bring down the fabric of the present economic system by raising wages to unrealistic levels . . this would not, in my view make it any less a dispute connected with terms and conditions of employment and thus a trade dispute. . . "

Lord Diplock's 1979 judgment reflects well the law which gave an excessively wide meaning to the union immunity, allowing it to be used as an instrument of economic suicide. In the Mercury case, the High Court judge thought that the 1982 changes did not amount to much and that he could still be guided by Lord Diplock's 1979 dictum. The Court of Appeal disagreed with his interpretation of the law and also took into account new evidence which was not available to the judge.

Job security

This evidence brought to light the existence of a job security agreement between British Telecom and the union, preventing BT from making any employee redundant as long as the union followed a policy of flexible co-operation based on consultation and negotiation and accepted the need for retraining and reasonable redeployment. There was a *force majeure* clause enabling BT to avoid this obligation in the event of major manpower problems from causes outside its control, but it appears that the union has never raised this issue in connection with its campaign against the licensing of Mercury, and certainly made no attempt at its renegotiation.

The court concluded that the dispute appeared to be mainly about liberalisation and privatisation and not about jobs, and that it was a quarrel which the union had with the government and not with its employer. As the union's general secretary, Mr Bryan Stanley, said in his evidence, "the action which BT is taking is inconsistent with the desire of my members to retain the traditional monopoly over telecommunications facilities within BT." The issue of competition or monopoly is a matter for parliament to decide, and yesterday's ruling is a welcome upholding of parliament's intentions.

Ashley Ashwood and Glyn Genin

The Brazilian economy

Something will have to give

By Anatole Kaletsky recently in Rio de Janeiro

"I SHUDDER to think what Brazil's future would be if it could not reach agreement with the International Monetary Fund. But if there is an IMF programme, Brazil has the capacity to be one of the major nations of the world in the next decade or two."

This statement has a truly Brazilian ring of extravagance to it. But it was made a few weeks ago by Mr Donald Regan, the U.S. Treasury Secretary.

Unfortunately for Brazil, for the IMF and for the 900-odd international banks which should by today have pledged a further loan of $6.5bn to help the country through its debt crisis, many leading Brazilians are expressing themselves just as forcefully as Mr Regan about their country's long-term prospects under the IMF's tutelage — but to the opposite effect.

Brazil is not a country of steady mediocre progress. Its economic history consists of record-breaking booms and short, sharp busts; its cities are made up of palatial mansions abutting filthy shanty towns; its social structure displays the widest gulf between rich and poor recorded in any nation where such statistics are kept. In Brazil the alternative to full-scale success is full-scale failure.

This is probably why so many Brazilians—be they politicians, businessmen, civil servants or academics, or hungry, jobless labourers—believe that their country will not continue much longer in its present three-year state of stagnation.

Within the next year or 18 months, they assert with remarkable unanimity, something will have to give—"something" which will either precipitate an unqualified economic disaster or will somehow relieve the crushing burden of foreign debt. For now this has entirely overwhelmed what appeared to be the country's irrepressible capacity for rapid long-term growth.

Brazil enjoyed an annual growth rate of nearly 7 per cent on average from 1945 to 1980—rising to 11.3 per cent, one of the highest sustained rates ever registered by any country, in the six years 1968-73. And after seeing their gross national product increase more than tenfold in real terms during the 35 postwar years, the Brazilians could temporarily accept that "we must now pay a price for keeping out of recession between 1974 and 1981," as Sr Ernane Galveas, the country's Finance Minister, puts it. It was to maintain the investment and imports to avoid such a recession that Brazil's foreign debt multiplied from $13bn in 1973 to $61bn in 1981.

What Brazilians appear to reject emphatically, however, is the idea that the country's enormous foreign debt and interest burden can be allowed to constrain growth and development for years ahead.

This is why so many Brazilians privately concede they regard the present arrangements between the Government, the IMF and the international banks on debt servicing as no more than an interim solution. Without an improbably abrupt drop in interest rates and a stronger-than-expected rebound in world trade, it is widely argued that Brazil will have to seek a much more fundamental debt restructuring for 1985 or 1986 than anything considered so far.

Many economically thoughtful Brazilians have their own pet schemes for restructuring the debt, but most of them revolve around two basic ideas. The country should only pay a "reasonable" amount of interest now, but could recognise its ultimate liability for all or part of the rest of the interest as well as the capital by allowing its creditors to convert unpaid interest into additional long-term loans.

Alternatively, the IMF or some other international body should make extra loans to developing countries during periods when real interest rates rise above their historic equilibrium level or 2 or 3 per cent.

These new loans could be administered in the same way as the IMF's present Compensatory Financing Facility, which helps commodity exporters through temporary periods when commodity prices abruptly drop.

The difference between financial optimists and pessimists in Brazil is that the optimists purport to believe that a debt restructuring will actually be proposed by the banks and the industrialised countries on their own initiative—"if we show them we are making the effort to adjust for two years or so." as one of the optimists puts it.

Of course even these "optimists" do not think that international banks will do Brazil favours simply out of goodwill. The banks may, however, make concessions once they realise that a dire situation is getting even more critical.

One local banker of U.S. origin believes that numerous U.S. banks already recognise that "there is no point in trying to squeeze a nominal interest rate of more than 7 or 8 per cent out of Brazil. The only chance for Brazil's creditors to get any of their money back is some kind of deal like this because 12 or 15 months down the road it will be just a fait accompli—the Government will say '3 per cent real over 50 years—take it or leave it'."

This is really not very different from the "pessimists'" position. Even the outspoken political opponents of the international banks and the IMF in private reject the idea of an outright moratorium or debt repudiation.

Rather, they suggest the government should define its objectives, stake out a strong bargaining position and, preferably, agree on interest relief with the banks by negotiation.

It should be clear, however, that the ultimate sanction is an offer the banks cannot refuse—a "unilateral rescheduling" which would leave the banks with the option of declaring a default if they so desired.

The obvious question about all this ominous speculation is why it should be taken seriously.

So far, the government has not shown any signs of preparing to threaten the international banks—and if Brazil's liquidity position eases even slightly, the prospects of a moratorium or other unilateral action would surely recede.

There are a number of flaws in this comforting argument which throw into relief some of the most crucial features of the situation in Brazil.

Firstly, the country is at present without a credible economic team in government. Secondly, there is a widely perceived need for a drastic "internal adjustment," to dampen the inflationary fever in the economy and to carry out major structural reforms, particularly in the public sector. Thirdly, Brazil's external position is too weak to permit any hard bargaining except in the direst of circumstances. The country has no foreign currency reserves and oil stocks are low, so the threat of a moratorium would carry no conviction since it would undoubtedly cause domestic chaos, because it would effectively mean a halt to all imports.

Finally, and perhaps most importantly, there is still the hope that "something will turn up" to improve Brazil's long-term external prospects before the long term actually arrives.

What all these considerations point to, according to numerous politicians, bankers and industrialists in Brazil is that the critical point for a resolution of the debt problem will come in early to mid-1985.

By then a new President should have been elected, with all the legitimacy and popular support to be accorded to the first democratic government in 20 years. Some of the necessary internal deflation may have been completed (although this is rather uncertain since the domestic targets of the IMF programme are going badly awry). The new government may be in a position to tackle some of the inefficiency, overmanning and uncontrolled subsidised losses in the country's tangle of more than 100 major public sector corporations.

Currency reserves may have been built up to $1-2bn if the external targets in the IMF programme are fulfilled. Oil stocks should be rising, domestic oil production and the programme to substitute alcohol for oil will be saving another 100,000 barrels of oil a day. Much of the import requirement of roughly 650,000 barrels a day will be provided through barter deals with Nigeria, Iraq, Venezuela and Mexico.

All this should certainly offer Brazil more options than it has enjoyed in the past year. How they are exploited will depend on the assessment of the country's economic future by the government and the international banks, advised, no doubt, by the U.S. and European monetary authorities and the IMF.

From the government's point of view, a real growth rate of 4 per cent from 1985 onwards is regarded in Brazil as the absolute minimum requirement for the maintenance of a political consensus in the fledgling democracy.

According to some forecasts, such as a recent study of all developing countries' debts by Dr William Cline of the Institute for International Economics, internal growth would be perfectly feasible even with a substantial improvement in the balance of payments because of the tremendous scope for Brazil to increase its exports. Indeed, Dr Cline estimates that Brazil could grow by 6 per cent a year from 1984 to 1986 and still reduce its current account deficit to $1bn in 1985 from $7.7bn in 1983.

Unfortunately nobody in Brazil currently believes in anything like such a favourable performance. Exports next year will rise at best by about 10 per cent, rather than the 34 per cent suggested by Dr Cline's model. Brazilian industrialists are projecting the economy will decline by anything from 0 to 5 per cent in 1984, possibly with little improvement the following year.

It is therefore very probable that Brazil's creditors will get no opportunity to withdraw their capital in the near future and quite likely that they will have to regard their loans as long term, if not permanent, investments.

Will Brazil's bankers get the best return and security for this investment by co-operating with the government and pre-empting its demands, or by resisting them right up to the brink of crisis?

Several of the biggest banks, particularly from the U.S., have already resolved in effect to treat their activities in Brazil as permanently expanding operations. Citibank, which has made more money in Brazil than in the U.S. for several of the past ten years' is as committed to the country as industrial multinationals such as Ford, Volkswagen or Shell.

They have slowed down their investment in Brazil because of the downturn in the economic cycle, but show no signs of wanting to pull out of a market which they continue to believe will grow far more rapidly than those in the industrialised world.

For such banks, which are willing to take a very long-term view of Brazil, the prospects of eventual repayment are better than they may appear this year or next.

The loans to Brazil financed mainly investment projects, rather than capital flight or consumer import booms. Many of these projects will eventually yield foreign exchange or import savings, though not perhaps for another 10 years. Brazil's capacity to increase its foreign exchange earnings is still enormous, since it currently exports a mere 8 per cent of GNP.

Apart from the sheer incompetence of some project design (which was probably no worse than in many other commercial loan portfolios) there are only two fundamental reasons why some of Brazil's loans will have to be written off in the long term: the jump in worldwide interest rates and the collapse in demand for products such as electricity and steel.

These have undoubtedly turned impressive rates of profit on some projects into irredeemable losses.

Whether these losses should be borne by Brazil, by bank shareholders or, as many in the developing countries argue, by the U.S. for precipitating the worldwide monetary squeeze, is the major unresolved issue of the debt crisis.

But in the year ahead the Brazilians are likely to make it increasingly clear that they have already taken as much of the loss as they are prepared to shoulder.

Men & Matters

Pit stop

It will be with mixed feelings that Dr Walter Hasselkus unfolds his six-foot frame from the driving seat of BMW (GB) at the end of the year.

Since 1980, from his office at the top of BMW's tower block headquarters in Bracknell, he has presided over a spectacular increase in the Bavarian motormaker's British fortunes. Sales have doubled to some 25,000 cars a year.

At 42, Hasselkus is seen as one of BMW's higher fliers. He is swapping his British managing director's seat in order to run BMW South Africa. There he will be steering BMW's only manufacturing operation outside West Germany at a time when £50m is being invested in it to double output.

It will be Hasselkus' first involvement with manufacturing operations. However, lack of prior knowledge of any aspect of the group's business has not stopped his career in the past.

His doctorate is in law. He joined BMW in 1970 as a corporate planner but was quickly pitched into running the group's retail operation in Berlin. "I had no expertise whatsoever," he recalls.

His legacy to the incoming British managing director, Paul Layzell, who is current sales director, is a market share which has gone up from 0.8 per cent of the total market to nearly 1.5 per cent, together with a dealer network with sufficient confidence to have invested some £20m in the last two years.

Hasselkus says he believes that BMW is starting to approach its "sensible market ceiling" in Britain. "The maximum is probably about 2 per cent if the image of exclusivity and desirability is not to be eroded."

Layzell appears to be of the same opinion. "There will not be any dramatic changes." he says.

"The Government has introduced a small handling charge, Count Dracula."

Tee off

The "T" is dropping out of GT Management. After a "perfectly friendly disagreement," Richard Thornton is leaving the business he set up with Tom Griffin 14 years ago on a grub stake of £20,000.

Thornton, who has been chairman of GT's investment committee and directed the fund's international investment activity, leaves a fund management group which is making more than £1.9m before tax.

But, for the moment at least, he retains a 14 per cent stake in a business which is conservatively valued at more than £5m.

Why quit? Thornton insists there was no difference of opinion on investment policy; no clash over the fact that, unlike Framlington and Henderson Administration, GT is not going for a stock market quote of its own; no unhappiness about UK Provident Institution's increasing role in GT's affairs. Stamp Brookshank of UKPI has been group chairman since June.

Perhaps, says Thornton, "my qualities of leadership, drive and energy became a little bit strong when we got to £2bn under management."

He admits: "I'm quite capable of exploding and I get really angry if somebody loses money. My volatility factor may have been a bit of a negative."

Thornton can now contemplate his fuschias or his fireside in comfort. The severance payment from GT was "generous to a fault," he still sits on the boards of several of the group's trusts, and he claims to have been a wise investor anyway.

By investing solely in GT trusts, he has quadrupled the value of a useful inheritance in the past 13 years while enjoying a "reasonably lavish lifestyle" with two Folkboats on the Hamble.

But his thoughts yesterday were turning back to the City and the dramatic restructuring of its financial services. The most powerful combination, Thornton mused, would be a merger of a leading London stockbroker and a large Japanese investment house.

Garden bank

Steven Baine, aged 36, has a busy day ahead of him showing assorted U.S. banking VIPs his new bank branch in London.

Baine, a former management consultant and U.S. Navy officer, has just been made general manager of the London branch of First National Bank of Chicago, and his appointment coincides with his 400-strong staff moving into an unusual location.

Instead of consolidating upon a conventional City of London site it had scattered offices about the City—First Chicago has chosen to open a 100,000 sq ft headquarters for its British, European, Middle East and African operations just round the corner from the Royal Opera House in Covent Garden.

The former fruit and vegetable market has come up in the world since the developers got hold of it. Nevertheless, a full-blown international bank is quite a catch for the district.

Covent Garden—actually the bank is in the ancient street of Long Acre—is First Chicago's largest financial centre outside the U.S. Baine sees himself as very much the leader of a policy committee of specialists there rather than as king of the castle.

As a man without a banking track record it is interesting that he should be there at all. His connection with First Chicago started when, as a Chicago management consultant working for the McKinsey group, he was assigned to lead a team to produce an international First Chicago strategy. The London expansion was one of his recommendations.

First Chicago chairman Barry Sullivan invited Baines to implement his own ideas and has followed through by appointing him London general manager.

Punctuality

In answer to the question "Daddy, what is an actuary?" that beleagered profession is speaking up for itself.

A voice from the Prudential yesterday explained. "An actuary is someone who expects you to be dead on time."

Observer

ECONOMIC VIEWPOINT

A spotlight on rising profits

By Samuel Brittan

THE MOST spectacular aspect of the present economic upturn is one that has received least attention: namely the improvement of profits. Of course not every company has benefited: and any recovery is bound to be "patchy" at a time of rapid change in technology and the composition of demand. But the overall trend is undoubtedly upwards.

From 1978 until 1982 profits were sometimes falling in real terms and nearly always falling as a proportion of the Gross Domestic Product (GDP). This year there has been a sharp change of trend.

The latest estimates of the Central Statistical Office suggest that the gross trading profit, after allowing for stock appreciation, of industrial and comercial companies outside the North Sea sector rose by 25 per centin the first half of 1983 compared with a year earlier. Profits of North Sea companies, which now account for between one-third and two-fifths of the overall total, rose even faster, by 30 per cent.

While fluctuations and revisions will affect the estimates for the remainder of 1983, there can be no doubt that non-North Sea oil profits will rise very much faster than nominal GDP, as the latter is probably rising by about 8 per cent per annum.

The incentive for investment and expansion

Moreover, as Walter Eltis has shown in a Rowe and Pitman circular, although revisions have been made in both directions, the predominant direction of revision of profit estimates has been strongly upwards. Gross trading profits for 1978 were, on the same consistent definition, originally measured at £20.3bn and have since been revised upwards in successive stages to £25.7bn.

Against this background the London Business School (LBS) forecast that profits will rise by 21 per cent this year and by 18 per cent in 1984 seems the opposite of extravagant and could be an understatement.

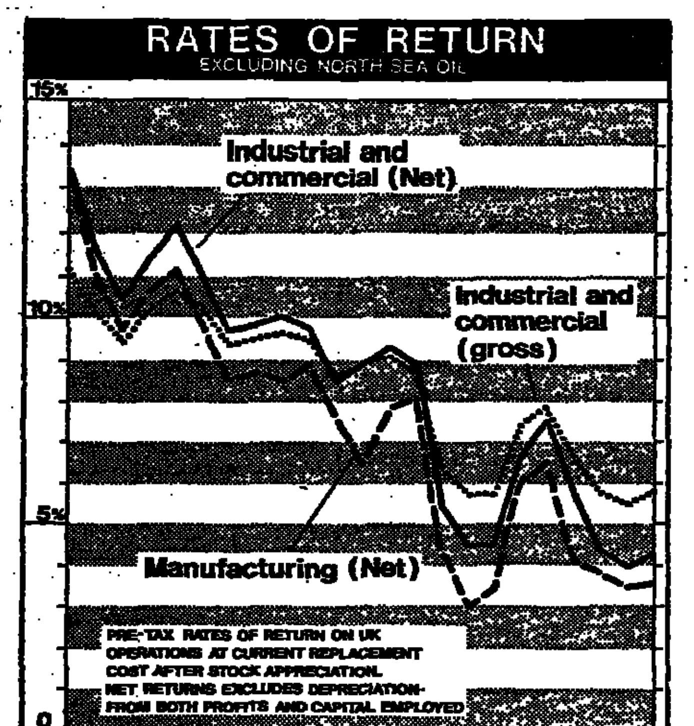
The neglect of profits stems from the characteristics of most forecasts and commentaries on the economy, which are entirely in terms of "demand." The latter is held to determine output; and profits emerge as a residual after wages, import costs, rents and other business costs have been deducted. The idea that profits can improve as a result of action taken by business and that this improvement can itself affect the overall performance is not central to any of the popular "models."

Profits have a strategic significance not easily shown in such models. They provide the basic cash flow for investment. This can be supplemented by bank borrowing or new issues, but corporate ability to raise money is itself determined by past and prospective profitability, as well as by so-called "balance sheet considerations."

More important, but less often stressed, profits provide the incentive for investment and expansion. There is no point in expanding capacity or introducing new methods if the yield is less than the cost of borrowed funds, or what the company can earn in the financial markets; and it is dubious economic sense for governments to push or bribe companies into such unprofitable ventures.

The most subtle and least-understood effect of all is that of relative changes between profits and "wage costs" in the share of value added. "Wage costs" include all payroll costs, including National Insurance contributions and superannuation. If wage costs rise and profits decline as a proportion of corporate value added, employers will rationally seek for more and more labour-saving methods. A shift to profits would be doubly beneficial to employment. It would tend to increase industrial and commercial capacity, while inducing a slightly less labour-saving bias to the capacity that is installed.

Arguments about whether to calculate value added gross or net of depreciation and the complications of North Sea oil, make it easy to come out with conflicting estimates about movements and relative shares of capital and labour. LBS charts suggest that trading profits, net of stock appreciation and excluding North Sea oil, have still a good way to go, even after the present improvement, before they recover to their pre-1973, or even 1977-78, levels as a proportion of GDP.



Martyn Barnes

But the trend is in the right direction; and those who are worried about the effects of a profits recovery on income distribution should turn their attention to ways of spreading more widely the ownership of capital. A return to fuller employment depends on a rise both in the share of profits in corporate value added and a rise in the rate of return on capital employed.

The latest Department of Industry estimates show how the rate of return has been on a falling trend for the last two decades. The estimates do not, of course, cover the 1983 recovery. The chart excludes North Sea oil not because it is unimportant but because it is inevitably highly capital-intensive and in a somewhat different category to the rest of industry.

Even with this exclusion, there are interesting variations. The net rate of return for industrial and commercial companies in UK operations, valued at current replacement cost, fell to a low of 4¼ per cent in 1975-76. It then staged a partial recovery to 7½ per cent in 1978 before plunging to 4 per cent in 1980. It is now surely on the way up again. Manufacturing has done consistently worse than the rest of the corporate sector. The rate of return here was as low as 3 per cent in 1976, recovered only to 6½ per cent and remained at 3½ per cent in 1981-82.

Perhaps a less obvious difference is the growing discrepancy between the net and the gross rates of return. The gross return includes depreciation and was not very different from the net a decade ago, but is now 1½ per cent higher. This is due to the increasing inroads of "capital consumption" which is a statistician's term for true economic depreciation, as distinct from what accountants or tax inspectors measure.

The usual union argument against a rise in profits, relative to wages, is that personal incomes are thereby held back and consumer demand is restricted. One cannot rule out possible time lags before increased profits and increased shareholder wealth are reflected in corporate investment or shareholder consumption; and there is thus a theoretical case for the Government to be ready to step in to maintain aggregate nominal demand.

This danger has been conspicuously absent in 1983 when any modest squeeze in the rate of growth of personal income has been more than compensated for by a fall in savings. The latest estimates show the consumer boom refusing to die down, with a volume of retail sales in the third quarter no less than 5½ per cent above that of the same quarter of 1982.

The personal savings ratio has fallen from a peak of nearly 15 per cent in 1980 to an estimated 8½ or 9 per cent, the lowest for over a decade. Neither the consumer demand indicators nor the latest money supply numbers suggest that an insufficient increase of domestic demand is a problem—to anyone except a CBI conference speaker who has learned nothing and forgotten nothing since the "growthmanship" of the 1960s.

I share the CBI's staff fear of the *possibility* that a weak international competitive position may dampen the overseas component of demand in 1984. But taking all sectors together, the CBI's own surveys show overall demand growing pretty much as fast as the economy can be expected to sustain.

Indeed, the main criticism the Chancellor may soon have to withstand is that of stimulating too much demand, especially of the consumer variety.

It is, however, quite untrue to say that the present recovery is based on consumption alone. Manufacturing investment was still falling in the first half of 1983, but it now represents only 37 per cent of total private sector capital spending. Total fixed investment started to recover as early as 1982; and in 1983 the LBS expects it to rise nearly as fast as consumption. Of course, its total contribution to the demand recovery is less, simply because it is a much smaller sector than consumer spending.

The real weakness is in the overseas sector, where export volume has been growing by less than 1 per cent compared with 4 to 5 per cent for imports. Nevertheless, the current balance of payments is still just in surplus; and if world trade recovery does not come to the rescue of British exports in 1984, a moderate sterling depreciation will have to take its place.

The economic recovery has at last begun to be reflected in the labour market. Vacancies have been rising for over a year; the fall in employment came to an end this summer; and so may have the rise in unemployment itself.

Here lie both the opportunity and the dangers. The biggest threat to the sustainability of the recovery is a re-escalation of wage earnings, which would eat into profits if the Government did not accommodate it and would be reflected in inflation and subsequent "stop-go" if the Government did.

The movement of money wages depends *inter alia* on the level of demand for labour, imperfectly indicated by unemployment and vacancies, the rate of change of that demand and price expectations. The level of labour demand is still low enough to exert a depressing influence on wage inflation; but the rate of change of that demand — associated as it is with a publicised profits increase — will tend to stimulate wage claims. That, perhaps is why the Chancellor is so keen to stress the Treasury's optimistic inflation forecasts, as the one restraining factor on which he can work without depressing the economy.

The main threat to sustainability of recovery

We may discover in the fluctuations of the next year or two roughly what is the actual level of the NAIRU. That is the non-accelerating inflation rate of unemployment, or in other words the minimum rate of unemployment with the economy, with its present institutions and attitudes can sustain without a continually rising inflation. So far from this being an abstract concept, it is a most important unknown number in the British and most other economies.

Lombard

Albert and the fish

By Malcolm Rutherford

ONE OF the boldest economic experiments is taking place in Iceland. It is presided over by Mr Albert Gudmundsson, a former professional footballer who used to play for Glasgow Rangers, then turned businessman and is now Finance Minister. In Iceland he is generally known just as Albert. His favourite television programme is Yes, Minister.

At the annual meetings of the IMF and World Bank earlier this year, Albert says that what he was doing attracted a certain amount of interest from Finance Ministers of larger countries. No wonder, since he abolished indexation at a stroke and that in a place where the annual rate of inflation had advanced into three figures.

The Icelandic Central Bank says that the 12 month increase in the cost of living index was 103 per cent last August. By most forward projections it was heading to around 160 per cent by the end of this year. It may now come down to under 10 per cent in the next few months.

It is the short, sharp shock policy with a vengeance. And, although Prof Hayek gave a lecture there and has a personal following, it seems to be mainly indigenous.

What struck me most on a recent visit was how ignorant one can be about developments in other countries and the cross currents in international relations. Iceland was probably last heard of in these pages in articles about the cod war with Britain in the mid-1970s. Less widely known is that, having won the war, Iceland lost the fish. The decline in the catch in the early 1980s has been dramatic—about one-third in 1982 alone.

Marine biologists are uncertain about the reasons. Certainly there was some overfishing. Apart from cod, there is a fish called capelin, a small and less edible member of the salmon family, and on which part of the fishing industry depended. Capelin fishing has had to be suspended for reasons of conservation. It may be also that over the years the waters have been getting slowly colder, so the fish have gone elsewhere.

There was another disaster. Iceland negotiated a stockfish deal with Nigeria. But when world oil prices began to decline last year, Nigeria was unable to pay and closed the market.

By early 1983 the Icelanders were facing a major economic crisis. Foreign debt was nearly 50 per cent of gross national product and debt servicing was equivalent to over 20 per cent of income from exports. The currency was periodically devalued, but it seemed that nothing much could be done about internal adjustment because of the system of automatic indexation under which all sections of society were fully compensated for inflation.

There were elections in April. The results were inconclusive in that they simply led to another coalition. But Albert came in as Finance Minister. One of the new Government's first acts was the prohibition, as the Central Bank puts it, of "every form of price indexation of wages, salaries, and every other form of compensation for work" until June 1985. There was also a statutory incomes policy to keep wage increases in single figures till February next year.

So far the policy seems to be working. Albert says that if the trade unions rebel, he will either resign or demand an *immediate* general election which would be fought as a referendum on his economic policies. He is a very populist politician.

The story has no moral. Iceland has a population of only 235,000. It has virtually no unemployment, possibly because it has a built-in labour shortage. It has an open economy and, in that sense, reminds one of Ireland at its best. (The Icelanders love Ireland and claim almost to have populated it, though there are few formal connections today.) It is also rather affluent: on income per head it ranked eighth among Organisation for Economic Co-operation and Development (OECD) members last year, so it can afford a fall in living standards in the interests of economic reform. But it will be interesting to see what happens next.

Letters to the Editor

Irrelevance of dual-key control

From Rt Hon Denzil Davies MP, Labour Spokesman on Defence and Disarmament

Sir,—Mr Ian Davidson, in his excellent article (November 7), "Dual-Key: no solution to the real issues," is right to state that the problems associated with cruise missiles cannot be resolved by having the so-called dual-key control. He is wrong to imply that all the "Opposition" to cruise was clamouring for dual-key.

The Labour Party's opposition to cruise is much more fundamental and would not change even if there were dual-key control. It is true that Dr Owen and the SDP are "clamouring" for dual-key; this is partly for cynical reasons, to mask the deep split in the Alliance over nuclear matters and to try and benefit from the unpopularity of cruise without having to muster enough courage to oppose it outright. Dr Owen must know that dual-key is irrelevant to the real issues created by cruise.

Cruise, as the article points out, is intended to be used in a war in Europe as part of Nato's strategy of resorting to nuclear weapons if it looked like losing a conventional war. It is, like battlefield nuclear weapons, designed for fighting what is ridiculously called a "limited nuclear war."

There is now an urgent need for a fundamental change in Nato's strategy. The Organisation must be moved away from its policy of first use of nuclear weapons to a policy of no-first use. Not only is the existing strategy immoral it is, as Mr Davidson shows, extremely dangerous.

Denzil Davies.
House of Commons, SW1.

When cruise go out to cruise

From Mrs Margot Miller

Sir,—Ian Davidson says in his excellent article (November 7) on Duel-Key that the parliamentary debaters clamoured for the wrong solution to the wrong problem. I suggest that they did the same again when they clamoured for a reassurance from Michael Heseltine that security guards would not shoot at peace demonstrators on Greenham Common Air Base.

There is not much chance of anybody — male or female — getting near the silos once Cruise missiles are stationed at Greenham, but what happens when the cruise convoys (2 Iccs, 4 tels, 16 support vehicles, 16 warheads?) move about the surrounding countryside? Presumably the 69 personnel accompanying each convoy will be UK and U.S. armed soldiers. Supposing there are road accidents and civilian traffic becomes embroiled in amongst these massive convoys? These are the sort of questions the opposition ought to be asking, and in the process showing the nation how unworkable the Cruise is as a deterrent stationed in the centre of well-populated Southern England, where all the comings and goings of convoys and weaponry can be watched openly—by all.

Margot Miller.
Pump Close,
Shilton, Oxfordshire.

Smoke gets in your eyes

From the Headmaster, Rougemont School

Sir,—I have never smoked—not, I fear, a decision taken on high moral standards but because as a boy my indifference curve lay elsewhere. I can also claim another indifference; I do not object to others smoking in my company. I wonder, therefore, if Mr Colston's letter of last Friday indicates that those who do object are those who have given it up rather than those who never began?

F. W. Edwards,
Rougemont School,
83 Stow Hill,
Newport, Gwent.

Gussies' votes and profits

From Ralph Instone

Sir,—Great Universal Stores recently circulated its report and accounts for the year to March 31, 1983. The five-year summary shows that since 1979, while the value of money has halved, profits have risen by about 25 per cent and equity dividends by a third—and this in a period in which consumer expenditure has rocketed and the company has had the use of over £320m of retained profits.

Just over 2 per cent of the equity capital of GUS carries the right to attend and vote at meetings. The company is a classic illustration of the folly of successive governments in not conferring statutory voting rights on all equity shareholders.

Other companies of comprable size, such as Marks and Spencer, Sears and Thorn EMI, have voluntarily enfranchised their non-voting equity, and are all the better for it, as their market capitalisations testify. It is obvious why GUS (in which I have held A ordinary shares for many years) has not followed their example: if it did so, the present board would not last six months—as I would have informed them at the forthcoming AGM if I had the right to do so.

GUS served all its shareholders well in the 1950s and 1960s. If its present directors have lost the incentive or capacity to do so, it is their duty to step down in favour of those who still possess it.

Ralph Instone.
7, New Square,
Lincolns Inn, WC2.

Little Latin and less Greek

From Mr J. E. Russell

Sir,—You report (November 3) that that bunch of complainants, the Committee of University Vice-Chancellors and Principles, are at it again. This time blaming Industry and the Government for the falling number of students fluent in languages.

Pray, who was it who decided that Latin was no longer an obligatory part of matriculation, and by so doing set university education upon its present downward trend?

J. E. Russell.
23 Milbank Court,
Darlington,
Co. Durham.

True cost of a pinta

From Mr W. H. N. Craig

Sir,—Your recent Survey of the Dairy Industry (November 3) quotes on page one the Chairman of the MMB as saying: "We must look to efficiency for increased rewards, not only on the farm but also . . . in every other stage of the production and marketing chain." Have the dairies at last been rumbled?

Daily, milk floats from *three* different dairy companies pass my suburban home offering a virtually identical service at a Government controlled price. If one quarter of the houses in my neighbourhood take no milk, then each milk float must on average call at only one house in four. Is this efficient? The farmer is paid less than half the cost of my pinta, and the dairies' aggregate profit margins on milk are effectively underwritten by the Government.

During the late 1970's I lived in Melbourne, Australia in an area with similar population density and type to my present home area. *One* dairy company operated in the area delivering fresh milk on alternate days at a very reasonable price. Most households appeared to use this service and it was entirely satisfactory in an era when homes have refrigerators. The number of pints delivered per (electric powered) mile must have been significantly higher, and the utilisation of fixed assets much better than in the UK.

Incidentally, flavoured milk had been introduced there and following extensive advertising and promotion became popular, and available in nearly every corner store and in many pubs. Australian free enterprise and creativity?

Neville Craig.
1 Overdale Avenue,
Kingston on Thames, Surrey.

Overcapacity of European cars

From Mr M. W. Manly

Sir,—Mr Horrocks' suggestion at a recent Motor Agents Association dinner (October 26) that European car makers should follow Britain's lead in reducing capacity, etc, is far too simplistic.

Mr Horrocks seems to suggest we reduced capacity and the workforce voluntarily; surely this was forced on us by foreign competition. Up until a few years ago we could sell all the cars we could produce, irrespective of design or quality. This is no longer so, but it seems clear to me that if this were the situation the bad old ways — gross over-manning, poor quality, etc, would still be with us.

European car makers may have their problems, and overcapacity will have to be faced sooner or later, but to suggest they reduce capacity, in effect to help us, seems naive in the extreme.

In the main, the long-term future of the British motor industry is dependent on our ability to produce cars of the right quality and design which appeal to overseas customers, and on this score I am not too optimistic.

M. W. Manly.
14, Halton Close, Bransgore,
Christchurch, Dorset.

FINANCIAL TIMES
Thursday November 10 1983

PEKING APPEARS TO ADOPT PRAGMATIC APPROACH

UK 'concedes lesser HK role'

BY ROBERT COTTRELL IN HONG KONG AND MARK BAKER IN PEKING

BRITAIN is believed to have set aside its insistence that Hong Kong needs a continued British administrative role after 1997 in an effort to make progress in the talks with China on the future of the colony.

This new approach, it is understood, does not amount to an irrevocable concession but is a conditional move to enable the talks to progress.

Implicit in Britain's new position *is the right to insist again on retaining* an administrative role if there is no satisfactory progress towards a settlement which would provide for the future stability and prosperity of Hong Kong.

Negotiations between the two countries, which centre on *the* expiry in 1997 of Britain's lease over most of the territory, will resume in Peking on Monday.

The British move, according to observers close to the negotiations, is matched by a more pragmatic approach on China's side. British officials said yesterday's statement by China that it would impose a unilateral solution if agreement was not reached by September is largely for domestic consumption.

The Chinese Foreign Ministry in a surprise statement yesterday warned that, unless agreement was reached by next September on the future of the territory, China would "announce its policy and guidelines" on resuming control of the territory.

The statement was seen by British officials as part of China's con*tinuing attempts to put pressure on* Britain and give the impression – at least in public – that the talks are being conducted entirely on Chinese terms.

Officials *in* London and Hong Kong were at pains to stress yester*day that neither side has, as yet*, made any irrevocable concessions in the talks. They also warned that the negotiations would be protracted and, despite the optimism generated by last month's talks, there were likely to be "rough times ahead."

Britain maintains that the talks are being conducted by two, equal and sovereign nations. Officials also point out that it is not up to Mrs Margaret Thatcher, the British Prime Minister, to concede sovereignty over Hong Kong, but up to Parliament.

There has been a clear shift, however, in Britain's approach accompanied, it appears, by a greater willingness on the Chinese side to help Britain make the politically difficult but widely expected transition of eventually handing over sovereign*ty to China.*

In its new approach Britain is understood to be inviting China to develop its own plans for Hong Kong which would be administratively under Peking's sovereignty.

The new negotiating strategy is thought to involve the two parties setting aside their disagreements in principle, and starting from practical points on which they both agree. Such points might be China's already-acknowledged willingness to see Hong Kong's present legal system preserved, and its retention of a convertible currency.

If such areas of practical agreement can be developed into a plausible and comprehensive package of undertakings covering all important aspects of Hong Kong life, specifying the autonomous freedoms which will be permitted to Hong Kong, a deal might be possible in which Britain agreed to provide future advice and assistance to the territory after the reversion of sovereignty, without claiming authority over it.

Such a package would have to *take into account not only its inter*nal operations, but also its external standing in international agreements, notably the multi-fibre arrangement governing textile trade.

Britain has been arguing for continued administrative authority in *Hong Kong because it believes that* an external "buffer" is needed to assure Hong Kong's integrity as a capitalist enclave within a socialist country.

If the negotiations progress towards a settlement in which Hong Kong's integrity rests on Peking's assurances, the outcome is likely to provoke strong divisions of opinion in the territory.

Kohl, Thatcher in missile talks plea

BY RUPERT CORNWELL IN BONN

BRITAIN and West Germany insisted yesterday that the Geneva *missile talks should continue even* after Nato has begun its imminent deployment of new medium-range nuclear weapons in Europe, with the goal of reaching a compromise agreement with the Soviet Union.

The best possible Christmas present for the West, Mrs Margaret Thatcher, the British Prime Minister, declared, would be for the Soviet Union to agree to remove the SS-20s pointed at Europe.

The Nato programme could then be "put into reverse" and the "zero option," whereby the West would forgo installation of new cruise and Pershing II missiles in return for the dismantling of the SS-20s, would be attained.

Even if that was wishful thinking, the British Prime *Minister hoped* that talks would continue in Geneva, leading to a compromise under which less than the full scheduled number of cruise and Pershing mis*siles would be installed.*

Speaking after two days of discussions in Bonn, Mrs Thatcher and Herr Helmut Kohl, the West German Chancellor, both squarely blamed Soviet intransigence for the failure of the Geneva talks to produce any result so far.

However, albeit with differing shades of emphasis, the two leaders professed optimism – assuming that Moscow did not carry out its "most regrettable" threat to break off the Geneva talks if the Nato deployment began on schedule, shortly – that agreement could ultimately be reached.

[U.S. and Soviet officials held a fresh session of talks on limiting European-based medium-range nuclear missiles yesterday amid reports that Washington was planning to make a last-minute offer before the deployment of new U.S. missiles next month, Reuter re*ports from Geneva.*

[Moscow's chief delegate, Ambassador Yuli Kvitsinsky, said before the two-and-a-half hour meeting that he did not expect the Americans to table any new ideas this week.

[Mr Paul Nitze, U.S. delegation chief, responded to questions with a terse "no comment" as he emerged from the talks at the Soviet Mission, but a U.S. spokesman said both sides had agreed to hold another session next Tuesday.]

Unlike his guest, Herr Kohl still has to face a most uncomfortable parliamentary debate later this month, ratifying installation of missiles on German soil. But he emphasised that, barring a real breakthrough in the meantime, Germany would carry out its deployment on schedule. Any suggestions to the contrary were "speculation and wrong," he declared.

*There was no reason why Mos*cow should abandon the negotiating table after the West started installing the new missiles. "We will go on negotiating afterwards, and that includes a readiness to dismantle if results come in Geneva," he said.

The two leaders have, meanwhile, clearly decided to make the best of a bad job as far as the U.S.-led invasion of Grenada is concerned.

Although neither Britain nor West Germany had concealed their hostility to the operation, both leaders yesterday emphasised the need to look to the future, proclaiming that the basic solidarity of the Western Alliance was undiminished.

Both were broadly of the same *mind over the goals of the crucial* three-day meeting now under way in Athens on EEC reform.

Rolm and Plessey reach pact

By Guy de Jonquieres in London

PLESSEY, the UK electronics group, has settled out of court its nine-month trade secret and copyright lawsuit with Rolm, the U.S. telecommunications equipment manufacturer, which is 15 per cent owned by IBM.

The settlement frees Plessey to market in the U.S. from the beginning of 1986 an American version of its IDX digital private branch exchange (PBX), which has been at the centre of the legal dispute.

The IDX is Plessey's top-of-the-line PBX, and the company wants to make a modified version at its Stromberg-Carlson subsidiary in the U.S.

Soon after the IDX was launched in Britain, last January, Rolm accused Plessey of having developed the product using software and technology supplied by the American company under licensing agree*ments that expired last February.*

The agreements, which dated back to 1976, had licensed Plessey to make and sell an exchange called the PDX, which was based on a Rolm design. Plessey stopped marketing the PDX when the licences expired.

Rolm had sought a U.S. court injunction prohibiting Plessey from selling the IDX, damages for any sales it might make, and $100m in punitive damages. Plessey had filed a counter-suit.

The two companies have agreed to drop all claims against each other and to modify and extend their licence agreements, details of which were not disclosed.

Plessey, however, will continue to *distribute another Rolm product*, the automatic-call distribution system, in Britain

IBM suit may bring new links

By Louise Kehoe in San Francisco

SECRET clauses in the recent out-of-court settlement of IBM's civil suit against Hitachi may have long-term and significant effects on both companies, according to computer industry sources in the U.S.

Although IBM and Hitachi publicly announced some aspects of their agreement to settle the suit, in which IBM claimed damages for *theft of computer secrets, both com*panies acknowledge that there was also an agreement not to disclose the full substance of the settlement.

Now, however, it has emerged that the settlement included a payment to IBM for past and future licensing of *IBM* software. The agreement is believed to provide Hitachi with access to details of IBM operating system software.

This would give the Japanese company a valuable tool in its efforts to develop IBM plug-compatible computers – computers that can run programmes designed for IBM machines. IBM is also understood to be involved in continuing negotiations with Hitachi on further aspects of a two-way licensing agreement. When complete the agreement is expected to strengthen IBM and Hitachi's positions in the mainframe computer market.

"They are both giant computer companies. Clearly they have recognised that it is in their interests to co-operate in some loose fashion, rather than to squabble," senior executive of one of IBM's U.S. competitors said.

Hitachi is thought to have paid tens of millions of dollars to IBM in return for the software licensing *agreement*, though reports of a $300m payment are considered unlikely by industry sources.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	19	66	Dubrovnik	S	18	64	Malaga	C	20	68	Salzburg	S	7	45
Akrotiri	S	23	73	Faro	Th	15	59	Malta	F	18	64	Seoul	S	16	61
Algiers	S	18	79	Florence	S	18	64	Manila	S	30	86	Singapore	S	30	86
Amsterdam	S	13	55	Frankfurt	C	4	39	Miami	C	24	75	Stockholm	C	5	41
Athens	C	16	61	Funchal	F	19	66	Milan	S	12	54	Strasbourg	Fg	4	39
Bahrain	S	29	84	Geneva	C	6	43	Moscow	C	7	45	Sydney	S	28	82
Bangkok	S	33	91	Gibraltar	-	—	—	Munich	C	3	37	Taipei	S	27	81
Barcelona	C	20	68	Guernsey	F	15	59	Nairobi	-	—	—	Tangier	F	23	73
Beirut	S	22	72	Helsinki	F	5	41	Naples	S	18	64	Tehran	-	—	—
Belgrade	C	8	46	H. Kong	S	25	77	New Delhi	S	29	84	Tel Aviv	S	23	73
Berlin	S	13	55	Innsbruck	S	11	52	New York	S	16	61	Tenerife	F	23	73
Biarritz	F	21	70	Inverness	C	11	52	Nice	S	19	66	Tokyo	C	17	63
Blackpool	S	13	55	Istanbul	D	12	54	Oporto	C	17	63	Toronto	C	14	57
Bordeaux	S	19	66	Jersey	C	14	57	Oslo	C	7	45	Tunis	F	21	70
Brussels	S	18	67	Jo'burg	R	25	77	Paris	S	17	63	Valencia	C	19	66
Budapest	Fg	5	41	Las Palmas	F	23	73	Prague	D	3	37	Venice	S	14	57
B. Aires	C	27	81	Lima	S	22	72	Reykjavik	C	2	36	Vienna	C	5	41
Cairo	S	25	77	Lisbon	R	15	58	Rio de J'o	S	33	91	Warsaw	S	11	52
Cape Town	-	—	—	Locarno	S	12	54	Rome	S	20	68	Zurich	C	4	39
Caracas	C	28	82	London	S	16	61								
Casablanca	R	20	68	Los Angeles	C	25	77								
Copenhagen	F	9	48	Luxembourg	S	8	46								
Corfu	S	20	68	Madrid	C	18	61								
Dublin	C	12	54	Majorca	C	22	72								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Strong final quarter lifts Rockwell's 1983 profits 17%

BY OUR NEW YORK STAFF

ROCKWELL International, the U.S. military electronics, aerospace and automotive components group, yesterday *reported sharply higher* fiscal fourth-quarter and full-year earnings.

For the full year, to September 30, net earnings grew by 17 per cent to $389.1m, or $2.52 a share, from $331.6m, or $2.51. Revenues in*creased by 9 per cent to $8.1bn* from $7.4bn.

The major factor boosting full-year earnings was a strong fourth quarter, in which net earnings jumped from $82.9m, or 54 cents a share, to $110.6m, or 71 cents.

Revenues for the latest period increased from $1.95bn to $2.22bn.

Mr Robert Anderson, Rockwell's chairman and chief executive, said the fourth quarter growth was attributable to strong performances by defence and space-related businesses, which more than offset the depressed results for most of the year in commercial businesses.

He added, however, that Rockwell had seen some improvement in its commercial businesses during the fourth quarter.

Mr Anderson has agreed to remain chairman and chief executive of the group until February 1988 – two years after his normal retirement age.

Rockwell is planning to repurchase up to $100m of its common stock to use for the group's employee stock option plan and other employee benefit packages.

Cincinnati Milacron, the leading U.S. machine tool manufacturer, reduced its third quarter loss from $5.4m to $2.9m, and said new orders had increased by 54 per cent compared with a year ago.

Despite these signs of improvement, however, Mr James Geier, *chairman, said the company* would continue to feel the effects of the recession for some months. "The company will post a loss for the 1983 year, our first deficit year in nearly half a century," he added.

Sales in the quarter fell by 21 per cent from $192.7m to $152.1m, reflecting pressure on prices as well as under utilised capacity. Over the first nine months, sales were down from $619m to $405.4m, while net losses amounted to $11.9m compared with $14.7m.

Cincinnati has switched some of its machine tool capacity over to manufacturing robots, for which orders are at an all time high. Plastics machinery orders were also up sharply, while orders for specialty products for the electronics industry continued to show some improvement.

Texas Oil and Gas (TXO), one of the biggest independent U.S. oil producers, showed yesterday that it is weathering the recession in the industry better than many of its rivals, and has increased its net income by 20 per cent to $295.7m for the year to the end of August.

William Hutchinson, TXO's chairman, said the group has increased its earnings for 26 consecutive years and is aiming to increase this year's earnings total by at least 15 per cent in fiscal 1984.

Unlike many other U.S. oil companies, TXO has also reported sizeable increases in its reserves of oil and natural gas. Natural gas reserves rose 15 per cent to 1.44 trillion cubic feet and oil and conden*sate reserves rose 73 per cent to* 30.3m barrels. The company drilled 705 wells – an increase of 56 per cent on the previous year – for less cost than in fiscal 1982. Its success ratio was 81 per cent.

Revenues this year totalled $1.87bn, roughly the same as last year, comprising $1.17bn from gas gathering, $638m from oil and gas and $64m drilling and miscellaneous income.

Air Florida, the financially stretched U.S. regional airline, has reported its first operating profit in two years, with a surplus of $1.2m in the third quarter compared with a loss of $7.1m last year.

After taking account of non-operating expenses, however, the air*line made a net loss of $4.2m com*pared with $33.7m.

Mr Donald Lloyd-Jones, Air Florida's chairman, says the latest operating profit was achieved "despite the adverse affect of the unprofitable intra-Florida jet service, which was substantially reduced in October in favour of increased commuter aircraft operations."

For the nine months to the end of September, Air Florida has reported a net loss of $21.6m against $84m in the same period of last year. Because of the considerable reduction in operations which is part of the company's recovery programme, third quarter revenues fell 28.5 per cent to $58.5m. Operating expenses were cut 35.5 per cent to $31.6m. Mr Lloyd-Jones says the latest results are encouraging since they do not reflect the positive effect of debt restructuring currently being negotiated with the company's principal creditors."

Budget row sours British relations with EEC

By John Wyles in Athens

RELATIONS between the British Government and the European Commission were at a very low point last night after the Commission's suggestion that the UK's net payments to the EEC budget were very much less than conventionally measured.

During negotiations that began in Athens last night on British budget contributions and other EEC reform issues, Sir Geoffrey Howe, the British Foreign Secretary, told other Community Foreign and Finance Ministers that the Commission's proposal for a new way of measuring British contributions should be put aside and forgotten.

British officials were making little secret of their anger at the Commission's initiative and their fear that it will set back the negotiations seeking agreements on a package of issues, including the *budget problem, at next month's* Community summit in the Greek capital.

"Given the Commission's weight and expertise, we are disappointed that it was used in this way and that it does not take us closer to agreement," said a British spokesman last night. "If anything, it deflects the negotiations," he added.

The fact that the proposal was spearheaded through the Commission by its President, M Gaston Thorn, has revived long-standing British suspicions of the former Luxembourg Foreign Minister.

During his term of office at the Commission, the Foreign Office leadership has periodically feared that he was hostile to British interests, and the latest episode threatens to revive this anxiety.

It is being noted that the illustrative figures upon which the Commission took its decision on Monday evening produced a "real" gap *between Britain's payments to and* receipts from the Community budget of Ecu 800m ($676m).

This is, in fact, lower than alternative measurements which have been proposed during the current negotiations by West Germany and Denmark, and therefore difficult to view as a serious Commission attempt to forge a compromise between Britain and its partners.

Sir Geoffrey Howe will continue to argue that the gap between Britain's payments and receipts – £1.2bn ($1.8bn) last year – is the only fair way of measuring the problem. M Thorn is in Athens to defend the Commission's proposal, and to maximise support from other national delegations, which were still *studying it yesterday and therefore* guarding their reactions.

Vredeling proposals worry UK

By John Lloyd, Industrial Editor, in London

THE UK GOVERNMENT yesterday made known its "profound reservations" about European directives for the greater involvement of *workers in industry.*

The Vredeling and Fifth Directives would enforce wide-ranging responsibilities on company managements to inform and consult workers and to involve them in boardroom decisions.

A draft consultative document was published yesterday by the Government. Mr Tom King, Employment Secretary, summed up the Government's lukewarm response to the Brussels proposals by saying it was difficult to see how legislation which imposed such duties on industry "contributes to the creation of a common market of business and services."

Draft versions of the directives have already produced fierce oppo*sition from business groups in the* UK and elsewhere in Europe. This week, the confederation of British Industry, the employers' organisation, meeting for its annual conference, pledged to fight the proposals root and branch and the Institute of Directors called on the Government to head off "this damaging legislation".

Many European and UK Government officials believe that, of the major EEC members, only France is enthusiastic about the directives, and that none of the smaller member countries is likely to support them.

Mr King said opposition to greater boardroom disclosure to employees was also widespread in the U.S. and Japan, where multinational companies with large European subsidiaries felt threatened by legislation that could endanger their commercial secrets.

Cool response, Page 14

THE LEX COLUMN

Hurricane Alicia hits the City

The havoc wreaked by Hurricane Alicia in August has presented composite insurers in the U.S. with a bill of more than $700m. Its impact was evident in the third-quarter figures reported yesterday by Commercial Union and General Acci*dent, as well as* Cigna of the U.S., their hurricane losses amounting to £7.6m, £9.4m and $11.3m respectively.

The industry's combined ratio of claims and expenses to premium income in the U.S. appears to have *collected an unwelcome 3 to 4 per*centage points as a result – though this measure, equalled by Commercial Union, has been easily exceeded by the 7¼ additional points dumped on the U.S. ratio of General Accident.

Further signs are still discernible at Commercial Union of an improved underlying performance in the U.S. Much of this stems from a slowdown in transfers to claims reserves and last year's rigorous consolidation of the group's special underwriting division, but expenses have also fallen, and only a 7.6 per cent decline in U.S. premium income has has stopped this from producing a significantly improved expenses ratio.

CU's worry must now be that premium income will go on shrinking instead of stabilising at the end of 1983 as it hopes.

In the meantime, lower volume has added another $15m to the $40m cash deficit incurred in the first half and this must largely explain the third-quarter fall in the group's total investment income, adjusted for currency gains.

Estimates remain about £60m for the full year for both CU and GA – though contrasting performances in the U.S. will ensure that their post-tax profits emerge looking very different.

RTZ/BET

The corporate strategists at BET must be as pleased with their disposal of the company's North Sea interests as the RTZ tax department which will effectively receive the assets. BET has been in the anomalous position of running up debt while insisting that its intention is to cut out peripheral businesses.

The disposal gives some substance to its strategy, besides making a £60m contribution to a balance sheet in which, after the Rediffusion deal, net debt represented about half shareholders' funds. RTZ, meanwhile, will be able to use the production income from Maureen to shelter its existing exploration expenditure and also provide better cover for its advance corporation tax bill. Just to show that it means business, RTZ is also taking part in the Forties party. Altogether, it will spend roughly half the proceeds from the recent rights issue and carve out a substantial new area of business.

J. Sainsbury

Sainsbury has been wheeling much the same basket of improvements towards the six-monthly checkout for so long now that the market can be forgiven its rather tired reaction yesterday to a better result than it had been expecting. Pre-tax profits were 28 per cent higher at £62.5m for the 28 weeks to October, and the dividend has been raised in line with profits, yet the shares moved up just 8p to 435p.

The most striking thing about Sainsbury's performance is the consistency with which it has continued to get about 2½ per cent growth in volume before account is taken of the sales generated by new stores, which added a further 7 or 8 per cent in the latest period. The key is probably Sainsbury's heavy investment in improved distribution and stock control systems but the rapidly rising average size of *the stores also helps to explain this* sustained success.

Sainsbury's premium over other *food retailers has been shrinking* markedly this year. Assuming full-year profits near £125m, the prospective multiple is only about 17 times; no longer outrageous, just expensive.

Smiths Industries

The revenue account of Smiths Industries has been held in suspended animation throughout the recession while, behind the scenes, the management has been turning the company inside out. Pre-tax profits for the year to July have emerged at £26.8m, virtually identical to those in any of the previous years.

Whereas in 1978 the aerospace and medical divisions accounted for a fifth of group trading profits, last year they represented no less than three quarters of the total. Smiths has now withdrawn entirely from *original* equipment manufacture for the UK motor industry, a move which is hard to challenge in the light of this week's miserable figures from Lucas.

Moreover, the extensive reorgani*sation has been carried out with* virtually no damage to cash flow. This year's extraordinary items, totalling £6m, have thrown up compensating tax allowances and after a £10m cash inflow, net debt has fallen to around 16 per cent of shareholders' funds.

This year should see Smiths moving smartly off the plateau to pre-tax profits of perhaps £34m. An acquisition costing £50m or more could now be absorbed without difficulty, yet Smiths has rightly earned a considerable reputation for caution, and shareholders could easily be kept waiting. The shares, which bounced up 27p to 425p yesterday, stand not surprisingly at a *substantial premium* to the sector, and yield 3.9 per cent.

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SECTION II – INTERNATIONAL COMPANIES
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Hurricane Alicia brings a battering for Cigna

BY TERRY DODSWORTH IN NEW YORK

CIGNA CORPORATION, the U.S. insurance group formed last year from the merger of Connecticut General and INA Corporation, suffered a 19 per cent fall in net operating income from \$154.7m, or \$2.02 a share to \$125.6m, or \$1.65, in the third quarter, mainly through losses incurred on claims against the hurricane Alicia.

After a rise in investment gains from \$44.3m to \$70m, however, final net income was only 1.7 per cent down at \$195.6m, or \$2.57 a share, against \$195m or \$2.60 in the same period last year.

Over the first nine months, net income rose from \$374.7m or \$4.87 a share to \$392.7m or \$5.16, with the increase totally derived from a surge in investment earnings from \$41.8m to \$103.4m.

Cigna says that after tax, losses on Alicia amounted to \$11.3m for the quarter.

Mr Robert Kilpatrick, chairman and chief executive, said that results from the property and casualty operations remained poor.

"Most reductions which we are implementing need to be accompanied by industry-wide improvements in prices, particularly on commercial lines, before the property and casualty businesses can show meaningful earnings improvements," he said.

Total losses in property and casualty amounted to \$18.1m, compared with operating income of \$23.6m a year ago. Over the first nine months, operating income came to only \$2.2m against \$74.1m.

Revenues rose from \$6.3bn to \$6.6bn in the nine months with \$2.2bn against \$2.1bn in the latest quarter.

Combined International, the U.S. insurance holding company, has sustained the sharp rise in profits in the first half of 1983 to lift third-quarter net operating earnings from \$23.3m, or 81 cents a share, to \$34.4m, or \$1.04.

Nine-month operating net earnings were \$98.3m, or \$2.92 a share, against \$69.3m, or \$2.50. Revenues jumped from \$743m to \$926.4m, with a contribution of \$306.5m (\$258.9m) in the latest quarter.

Reduced losses for La Centrale

By James Buxton in Rome

LA CENTRALE, the Italian financial holding company formerly controlled by the late Sig Roberto Calvi, lost L19bn (\$12m) in the year to June 30 1983, a sharp reduction on the previous financial year's losses of L62.6bn.

The company is owned by Nuovo Banco Ambrosiano, the successor to the defunct Banco Ambrosiano which went bankrupt in 1982 after the mysterious death of Sig Calvi under Blackfriars Bridge in London.

La Centrale's loss figure was reached after making provisions of L16.8bn and writing down the value of its shareholdings by L56.3bn. Of the latter, L46.3bn is due to the devaluing of La Centrale's 40 per cent stake in the Rizzoli publishing group, which owns Italy's leading newspaper, Corriere Della Sera.

La Centrale now values its stake in Rizzoli at only L10bn.

It is the Rizzoli group's losses and debts which have so damaged La Centrale, although its position has been improved by the sale earlier this year of the controlling stake in the Toro insurance group for nearly L300bn.

The future of the Rizzoli group is still highly uncertain. Its former chairman, Sig Angelo Rizzoli, who owns 40 per cent, was recently released from prison where he was being held pending trial on charges of fraudulent bankruptcy and other offences. Rizzoli's former managing director, Sig Bruno Tassan Din, is still in prison, also awaiting trial.

Since last November Rizzoli's financial fortunes have improved slightly. Sig Luigi Guatri, the commissioner responsible, said recently that it would make an economic loss of L42.5bn this year compared with L90bn last year.

Arab investors back new Canadian group

BY NICHOLAS HIRST IN TORONTO

SAUDI ARABIAN, Kuwaiti and United Arab Emirates investors have put together a deal with a Canadian businessman who controls a small oil and gas company which will create a C\$200m (U.S.\$162m) trading group with interests in energy, finance and property.

In a complicated series of transactions Arinfi SA, a Luxembourg-based Arab investment group, and others, have agreed to inject at least 51 per cent of Arinfi Pacific of Hong Kong into 35-year-old Vancouver entrepreneur Mr Jim Anderson's Sunmask Petroleum, in exchange for non-voting and restricted voting shares. An offer will then be made for the Arinfi Pacific minority.

According to the man who put the deal together, Mr Peter Bryant, a 44-year-old former Singapore executive with London merchant bankers Guinness Mahon, the resulting company will have assets of C\$200m and shareholders' funds of C\$135m. Mr Anderson will have 4.2 m shares, equal to about 66 per cent of the voting stock, while Arinfi SA will have 20 per cent of the expected total 58m shares in issue.

Mr Bryant put the deal together with Mr Ali Allawi, executive director of Arab International Finance, the London-based investment arm of Arinfi SA, and Mr Adrian Zecka, a Hong Kong businessman.

The first step involves Arab International Finance injecting C\$10m into Sunmask, a company quoted in Vancouver and London, with capital and reserves of C\$4m and total assets of C\$10m.

Sunmask has oil and gas interests in the U.S., but it also holds an option to buy 50 per cent of Denton Investments, an unquoted Vancouver company resulting from recent complex takeover battles. Sunmask has until the end of the year to exercise its option with a package costing C\$32m.

The option would give Sunmask 25 per cent of Inland Natural Gas, a British Columbia utility, which in turn owns 67 per cent of Trans Mountain Pipeline. Trans Mountain operates and owns the only crude oil pipeline from Alberta to the Canadian West Coast.

Sunmask intends to use the C\$10m from Arab International Finance plus bank finance of C\$12m and a planned C\$15m private placement of non-voting shares to exercise the option and provide working capital. Sunmask must be able to raise the additional finance to exercise the option before Arab International Finance goes through with its part of the deal.

In return for the non-voting shares Arinfi SA and its partners will then inject at least 51 per cent of Arinfi Pacific into Sunmask. Arinfi Pacific owns Maroil Corporation, a Singapore builder of drilling rigs and supply vessels, finance and merchant banking activities in Hong Kong, an effective cash shell worth C\$15m and William Hunt, a trading company established in 1927.

Mr Anderson, a former car salesman, is a controversial figure. With the help of TMA resources, a subsidiary of Trans Mountain Pipeline, he gained control of Inland Natural Gas in 1982. Inland then bid for Trans Mountain. This year Trans Mountain bought out Mr Anderson's holding company and gave him the option of 50 per cent of Denton Investment, which has 49.9 per cent of Inland. Mr Anderson then assigned the option to Sunmask of which he is president, chairman and chief executive.

Swiss Re increases earnings

BY JOHN WICKS IN ZURICH

SWISS Reinsurance Company increased its net earnings by 9 per cent last year to a record SwFr 87.5m (\$40m), despite increased underwriting losses. The directors intend to pay unchanged dividends of SwFr 105 per share of SwFr 250 nominal value and SwFr 21 per participation certificate of SwFr 50 nominal value.

Dr Walter Diehl, company chairman, said it was hoped 1983 results would be similar to last year's.

For the Swiss Re Group as a whole, net profits increased by over 18 per cent to SwFr 97m. Gross premiums booked by group companies reached a peak of just over SwFr 10bn.

The improvement was due largely to a sharp rise in investment income over the year, from SwFr 260m to SwFr 452m. At the same time, underwriting profits on life business rose from SwFr 56m to SwFr 73m.

This more than compensated for a massive jump in non-life underwriting losses, from SwFr 136m to SwFr 319m, and increased administration costs, particularly in the U.S.

Dr Diehl said a reduction of the non-life deficit remained an "urgent necessity." The group, he said, had already cancelled numerous reinsurance policies which it considered unprofitable, and this re-structuring of the portfolio will continue

Continental loses \$77m

By Our New York Staff

CONTINENTAL AIRLINES, the eighth biggest U.S. airline, which filed for Chapter 11 of the U.S. Bankruptcy Code in September, lost \$77.2m in its third quarter, compared with a small profit of \$4.6m in the comparable quarter last year.

Continental Air, which is majority owned by Texas Air Corporation, made a loss of \$161.3m in its first nine months, compared with \$30.5m a year ago.

The loss in the latest quarter includes a \$15.4m charge as a result of the expenses associated with the reorganisation.

Goodyield: registrar issues statement

BY CHRIS SHERWELL IN SINGAPORE

MALAYSIA'S Registrar of Companies yesterday confirmed the seizure of the statutory books of Goodyield Holdings, the company controlled by Mr Eng Chin Ah and once headed by Mr Abdul Ghafar Baba.

Mr Eng and Mr Ghafar control a majority stake in the publicly quoted Pegi Malaysia, and are directors of Dunlop Holdings as a result of Pegi's 26.6 per cent holding in the British company.

Mr Ghafar is also a senior vice-president of the United Malays National Organisation (Umno), the Malay-based party which is the dominant partner in the country's ruling coalition.

The registrar's statement said he had acted following examination of the company's records filed in the registry of companies and complaints by a minority group of shareholders.

Seizure of the company's statutory books and records, which is understood to have taken place in September, was "for the purposes of further examination," according to the registrar's statement. It is also understood that the company's accounts for 1980, 1981 and 1982, which had been overdue for filing, were filed on November 1.

The registrar was not available yesterday for further comment, and it is not clear whether there are any further matters for him to consider, now that the accounts have been filed.

Total reduces deficit

By Paul Betts in Paris

COMPAGNIE Francaise des Petroles (CFP) the French Total oil group, last night reported sharply lower first-half losses of FFr 783m (\$96m) compared with a loss of FFr 1.87bn in the first six months of last year.

The loss was mainly due to weakness of prices in the oil markets and the negative impact of stocks calculated on the first in-first out (fifo) accounting method. The decline in crude oil prices was not offset by the strengthening of the U.S. dollar and led to a fifo accounting stock deficit of about FFr 500m during the first half of this year, the group said.

The company also said it had drawn down 2.2m tonnes of oil stocks, the overall value of which had as a result been reduced from FFr 25.9bn to FFr 20.5bn.

CFP also reported foreign currency translation losses of FFr 221m during the first half. It said the overall net loss for the first half included a FFr 134m provision following the sales last year of Total's interests in two large chemical subsidiaries to Elf Aquitaine, the other major French oil group which recently reported first-half earnings of FFr 2.79bn.

Dresdner expects strong gains

BY JOHN DAVIES IN FRANKFURT

DRESDNER BANK, West Germany's second largest bank, has experienced a slowdown in the rate of profits growth in the third quarter, but expects full-year results to be well ahead of last year's.

Dr Hans Friderichs, the chief executive, confirmed that the result should make possible a dividend increase.

Dr Friderichs gave no figures, but said that partial operating profits in the first nine months of the year were somewhat above comparable results last year. Partial operating profits represent commission and interest earnings, minus staff and material costs, but do not take account of some other earnings or of write-offs or risk provisions.

He said the favourable trend of the first half of this year had continued in the third quarter, although the rate of growth was weaker.

Dresdner Bank reported a partial operating profit of DM 570.2m (\$212.7m) in the first half, up 35.6 per cent on one-half of 1982's full-year results.

Dr Friderichs said assets and the volume of bank business at the end of September were at about the same level as at the end of last year, although 5 per cent higher than last September.

Other major West German banks have also been reporting an upsurge in operating profits this year.

Dr Walter Seipp, chief executive of Commerzbank said recently that he saw no reason to contradict market expectations that the bank would resume dividend payments this year with a DM 6 payout.

Sharp rise for MGM/UA

By Our Financial Staff

MGM/UA ENTERTAINMENT, one of the major U.S. film producers, pushed up net earnings for the year to August 31 from \$27.5m, or 55 cents a share, to \$41.9m, or 83 cents. The latest period includes a \$2.5m extraordinary gain.

Fourth-quarter profits dropped from \$27.1m, or 54 cents a share, to \$11m, or 21 cents, but the previous comparable period was distorted by accounting adjustments to reflect the acquisition of United Artists in 1981.

ITT lifts profits 24%

BY TERRY BYLAND IN NEW YORK

ITT, the U.S. telecommunications, aerospace, hotels and financial services conglomerate, has lifted its profits 24 per cent in the third quarter of this year, after excluding a once-only gain of \$33m from the favourable settlement of the suit against American Telephone and Telegraph.

Mr Rand V. Araskog, chairman, expects improved operating earnings for the whole of 1983 and 1984.

Net earnings for this year will be about 5 per cent down because of the special gain of \$120.5m last year from the sale of the majority stake in Standard Telephone and Cables (STC) of the UK. Net income for 1982 totalled \$702.8m including the STC gain.

This year's third quarter net was \$105.6m or 70 cents a share against \$118.5m or 80 cents, excluding last year's special gain.

Efim warns of heavier losses

By James Buxton in Rome

EFIM, the smallest of Italy's three state industrial holding companies, expects heavier losses than last year, mainly because of the disastrous state of its aluminium subsidiary, MCS.

The company is forecasting a loss of L450bn (\$280m) on sales of L3,800bn. This compares with last year's loss of L389.5bn on turnover of L3,700bn – a loss figure which was net of a L160bn payment from the state to cover the losses of the aluminium sector.

Daon equity sale delayed

By Our Financial Staff

DAON DEVELOPMENT, the Vancouver property company, has delayed its proposed new equity financing, to raise about C\$160m (U.S.\$130m), until early 1984.

The company says that it has not been possible to complete documentation relating to its secured debt within the original schedule.

Air Inter loses to train

BY DAVID HOUSEGO IN PARIS

AIR INTER, the French state-owned domestic airline, expects a fall in profits this year as a result of increasing competition on internal routes from high-speed train (TGV) services.

M Maurice Long, the airline's chairman, declined to make any forecasts but said profits would be down on last year's net earnings of FFr 68m (\$8.4m). He estimated the loss in passengers as 1.1m between the entry into service of the TGV in 1981 and the end of last year.

Nonetheless, Air Inter expects a marginal increase this year in the number of passengers carried to just over 10m. In 1982, the airline carried 9.9m. passengers, 710,000 more than the year before.

To offset the competition, Air Inter is introducing a series of promotional fares to attract the young, the retired and conference delegates.

Improved first-half for Seiko and Citizen

BY YOKO SHIBATA IN TOKYO

JAPAN'S two major watchmakers, Hattori-Seiko and Citizen Watch both had improved earnings in the first half ended September, thanks to the completion of inventory adjustments and a growth in demand.

Hattori-Seiko's unconsolidated pre-tax profits rose by 4.6 per cent to reach Y 3.35bn. Its interim net profits were down by 43.5 per cent to Y1.51bn ($6.4m) on sales of Y 177bn, up 6.2 per cent from the previous year.

Hattori-Seiko said its sales of low-priced watches increased by 30 per cent in volume. As a result, total watch sales by value improved by 6 per cent to reach 73 per cent of turnover.

The company's sales in jewellery improved by 22 per cent to account for 2.3 per cent of the total. Its sales of computers only rose marginally, by a scant 1.1 per cent, to account for 2.1 per cent of turnover.

Citizen Watch's half-year parent company profits rose strongly by 50.3 per cent to reach Y 5.97bn and its net profits improved by 26.2 per cent to reach Y2.7bn on sales of Y26.9bn — an increase of 12.4 per cent from the previous fiscal year. The interim dividend is unchanged at Y 3.75.

Citizen's volume sales of watches rose by 17.4 per cent to 22.4m units. However, sales revenues fell by 0.4 per cent. Thanks to Citizen's sales of parts to Hong Kong watch makers, the total value of sales in this sector rose by 5.8 per cent to account for 79 per cent of turnover.

A major sales boost came from its diversified sectors, such as its industrial machinery sector (up by 50 per cent) and office automation equipment (up by 25 per cent). In particular, the company's small NC machine tools sales to VCR or office automation equipment makers fared well.

Sales growth in the non-watch sector with its high profit margins contributed to the strong earnings improvement.

In the current half-year, ending March 1984, both watch makers expect steady volume sales of watches due to the voluntary export limitation scheme agreed with the EEC and also a further decline in unit prices caused by intensified competition.

Seiko's full year pre-tax profits are projected at Y6.5bn, up by 6 per cent, and net profits at Y3.1bn, up by 3.8 per. cent, *on full year sales of Y360bn, up* by 2.8 per cent from the previous year.

Citizen plans to boost full year sales by 13 per cent to Y126bn, with major contributions from sales of its non-watch sectors. Citizen's full year pre-tax profits are projected at Y10.2bn, up by 22.5 per cent and net profits at Y5.5bn, up 14.5 per cent from the previous year. The total dividend is forecast at an unchanged Y7.50.

● Fuji Heavy Industries, maker of small cars and Japan's third largest aircraft maker, reported a 2.8 per cent fall in half-year parent company pre-tax profits to Y17.96bn.

The better than expected earning performance was due to the stronger yen. Net profits *were Y8.77bn up by 17.9 per* cent on sales of Y288.56bn, up by 2.6 per cent.

Net profits per share were Y23.84, compared with Y24.7. The interim dividend was raised Y0.5 to Y4.

FHI's sales of the Subaru on the domestic market rose by 5,806 units to reach 138,659 and exports increased by 6,976 units to reach 123,003 vehicles. The company also sold 45,445 vehicles to Nissan Motor, up 9,976 units from the previous year.

Sharp fall in profits for SA Breweries

By Our Johannesburg Correspondent

SOUTH AFRICAN Breweries was hurt by a weak mass consumer market in the six months ended September 30 1983 and does not expect trading conditions to improve before the end of the current financial year.

First-half turnover increased to R2.2bn ($1.9bn) from R2bn but the first-half operating profit *before interest and tax* fell by 14.4 per cent to R154.1m from R180m. By way of comparison, turnover was R4.34bn in the year to March *31 1983, while operating* profit was R398.4m.

Mr Meyer Kahn, group managing director, says that beer volume rose by only 1 per cent in the six months compared with a 9 per cent volume increase in the year to March 31 1983. As a result the beverage division's earnings dropped by 11 per cent. The contribution to attributable earnings by the group's diversified retailing, hotels, furniture and clothing interests fell by almost 15 per cent. Precise figures are not disclosed.

At the end of September the group's debt-to-equity ratio was 0.55, which is unchanged since March 31. Mr Kahn says that this reflects the benefit of tight asset management and the *effect of a lower* investment in hire purchase debtors as a result of an increased role being played by associate finance companies *set up in conjunction* with major banks in the previous financial year.

Despite a decline in first-half earnings per share to 27 cents from 30.9 cents the interim dividend has been left unchanged at 10 cents. A total dividend of 35 cents was declared from earnings from 78 cents a share in the year ended March 31 1983.

Mr Kahn expects economic conditions to remain depressed until well into 1984. And while he believes that the second half of the current financial year will result in a better performance in the first half he warns that earnings for the year as a whole are likely to be down on last year's figure.

Smelter partners sought

SIX international aluminium companies have been asked to take a stake in an A$1bn (U.S.$911m) smelter project at Portland in Victoria, writes **Colin Chapman in Canberra.**

The principals in the project, the Victorian state government and Alcoa of Australia, have decided to water down their own equity after a major disagreement on the price of state electricity commission planned to charge for power.

The Victorian government has offered to take a 25 per cent equity in the Portland smelter, and to help Alcoa to find other partners to take a further 50 per cent,

The six companies approached include Reynolds Aluminium of the U.S. and the Sumitomo, Mitsui, Mitsubishi and Kobe steel groups from Japan.

Edgars hit by lower sales to black population

By Our Johannesburg Correspondent

EDGARS STORES, the South African clothing, textiles and retail chain which operates about 400 stores across the country, has suffered badly from weaker sales to the black population, significantly lower margins and stock clearance costs.

In the first half ended October 1, 1983, sales were R307.3m ($264m), 11.2 per cent higher than the R276.3m last time. However, operating profit before interest and tax fell by 26.2 per cent to R25.5m from R34.6m. In the 51 weeks to April 2, 1983, sales were R558.3m and operating profit R55.9m.

The directors say that the Edgars chain, which markets clothing and textiles largely to white customers, performed ahead of budget. On the other hand Jet Sales and Ackermans, which depend far more heavily on consumer spending by the black population performed well below budget.

Trading conditions, the board says, are likely to remain difficult for the remainder of this financial year and earnings are not expected to match those of the last financial year. The interim dividend has been cut to 150 cents from 187 cents as Lifo adjusted first-half earnings dropped to 294 cents from 501 cents a share. In the 51 weeks to April 2, 1983, earnings were 687 cents a share

AMDB and Taiping in merger scheme

BY WONG SULONG IN KUALA LUMPUR

ONE OF THE biggest mergers in Malaysia, involving the privately owned Arab Malaysian Development Bank, biggest of the country's 12 merchant banks, and the publicly listed Taiping Textiles, has been approved by the Government, but with terms revised strongly in favour of the listed company.

The value of AMDB was reduced by more than 50 per cent, from proposed 780m ringgit (U.S.$335m) to 362m ringgit, by the reduction of its share value from 9.9 ringgit per share to 4.6 ringgit, while that of Taiping was raised from 90 cents to 1 ringgit per share.

As a result, Taiping will now have to issue 114.9m new shares of 50 cents each for 31.5m AMDB shares of 1 ringgit each, representing 45 per cent of the bank's paid-up capital.

Datuk Azman Hashim, who is sole owner of AMDB and 40 per cent owner of Taiping, said he was "A bit disappointed" with the reduced valution of the bank, but would go ahead with the merger "to keep faith with Taiping shareholders."

Last November, the Development and Commercial Bank pulled out of a merger deal with Malayan United Industries (MUI) when the Government's capital issues committee reduced its valuation by 34 per cent. D an C Bank subsequently went public on its own.

Approval has also been obtained for Taiping to make a one-for-two scrip issue and a one-for-four rights issue priced at 60 cents, so that when the whole exercise is over, the enlarged paid-up capital would be 257.8m ringgit divided into 515.7m shares.

Taiping is to change its name to Arab Malaysian Development Berhad to reflect its new corporate identity.

Datuk Azman will end up holding nearly 70 per cent of the new group, but he is applying for a waiver to make a bid for the rest of the shares.

The bank and its subsidiaries made a pre-tax profit of 29.5m ringgit for the year ended March 1983, and is expected to earn a pre-tax profit of 45m ringgit in the current year.

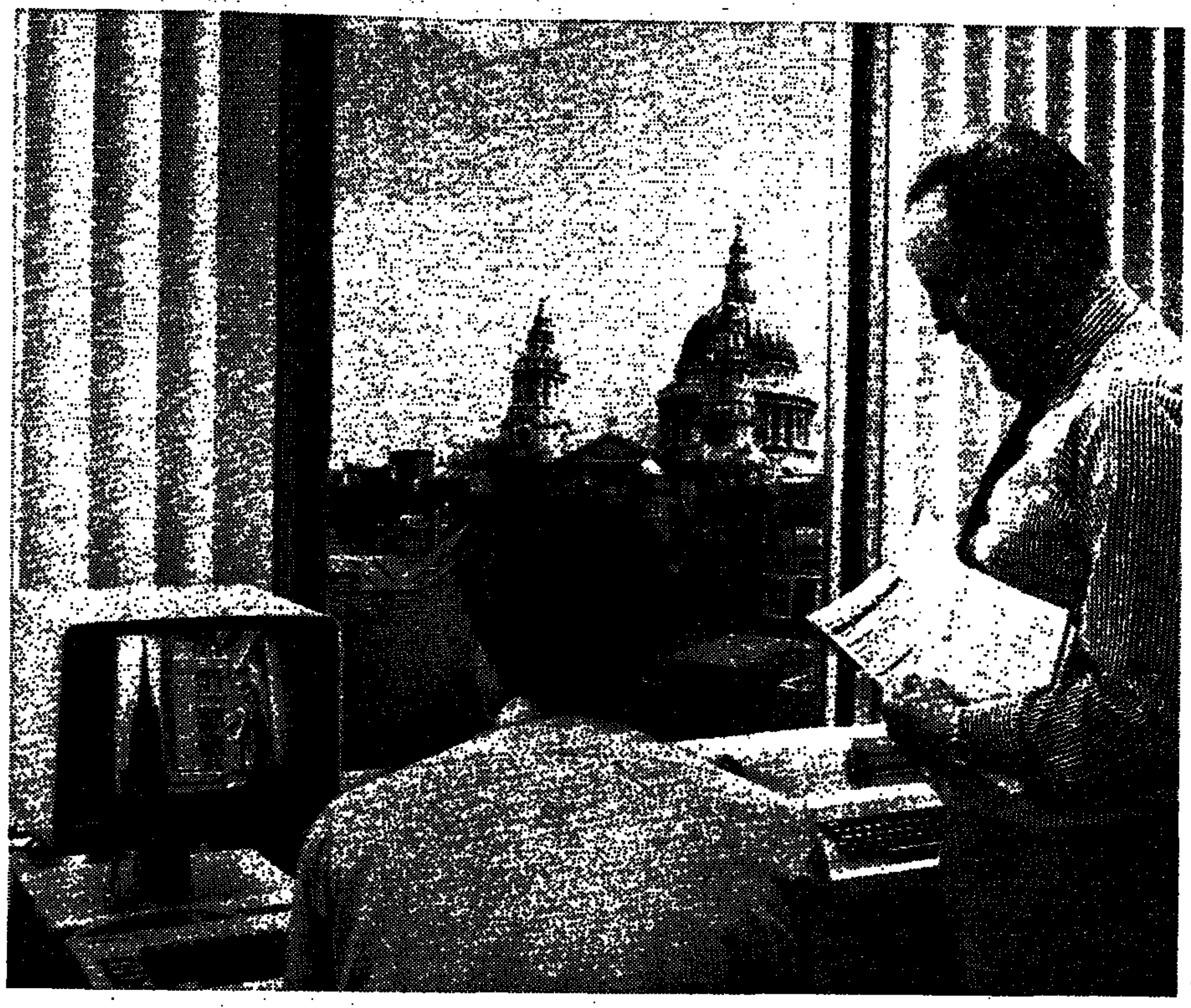
Taiping shot up 21 cents on the Kuala Lumpur stock exchange yesterday to 1.95 ringgit as the most active counter with 387,000 shares traded.

The merger is also advantageous to Datuk Azman because he bought the bank early last year for about 110m ringgit.

The enlarged group now covers merchant banking, finance, leasing, property development and textile manufacturing.

Datuk Azman said the group would be looking for expansion opportunities,

Attributable pre-tax earnings for the Taiping group for the year ended March 1984 are expected to be 24.6m ringgit.



Algerian reappearance sparks off Eurocurrency mandate battle

BY FRANCIS GHILES

THE RE-EMERGENCE of Algeria as a major borrower in the international capital markets is greeted with mixed feelings in the banking community. Most of those not party to the bidding for the $700m loan being raised by Banque National d'Algerie (BNA) jointly with Banque Exterieure d'Algerie (BEA) are among those who had to deal with Algerian bankers in the 1970s when borrowers from the country were frequent visitors to the City. They have not forgotten them as being what the head of one U.S. bank in London described as "the toughest negotiators in the Third World."

Those bidding for the BNA-BEA mandate are offering the borrowers finer terms than were obtained by Sonatrach, the Algerian state oil and gas monopoly, last spring, when it raised a $700m eight year loan on a margin over the London inter-bank offered rate (Libor) of ½ per cent for the first two years rising to ⅝ per cent, with an 11/16 per cent management fee.

The winning group comprises the Bank of Tokyo, Bankers Trust, Chase Manhattan, Credit Agricole, Credit Lyonnais, Gulf International, Industrial Bank of Japan, Lloyds Bank International, Long-Term Credit Bank of Japan, Societe General, of France, and the UBAF group.

They are offering a margin of ½ per cent over Eurodollar rates for the first six years, rising to ¾ per cent for the remaining two. A management fee of 0.6 per cent has been envisaged, with repayments of the loan beginning after a period of five years.

Bankers in London see the Algerian jumbo as marking no general revival in the market. Algeria is seen as is an odd man out, the only major less-developed country to have stopped borrowing in the late 1970s while it put its house in order.

Two factors explain the competition for the latest Algerian mandate—Algeria's economic and financial health and the market's judgment. Throughout the 1970s, Algeria borrowed what were then large sums of money, in the international capital markets; including $3.2bn in 1978, $2.1bn in 1979. There was public uncertainty about the performance of the country's economy: basic economic and financial statistics were seldom forthcoming. Precise and up-to-date figures on Algeria's hard currency debt are to this day difficult to discern.

Order was restored eventually and, by October 1979, Sonatrach was able to raise a $500m loan through a group of banks led by Citicorp — which boasted a spread of ½ per cent rising to ⅝ per cent. But then Algeria's new leaders decided to curb borrowing abroad, particularly in the form of Eurocredits.

President Chadli (left) brought in a reappraisal of economic development, following his election in 1979. Problems were highlighted, and emphasis changed. Previous concentration on heavy industry had resulted in what was felt to be an unacceptably high level of foreign debt

A thorough reappraisal of economic development was ushered in after President Chadli was elected in February 1979, which highlighted a number of problems, as well as bringing a shift in emphasis in many sectors. The previous concentration on investment in heavy industry had resulted in what the new leaders felt was an unacceptable high level of foreign debt.

Algerian borrowers are in a much stronger position today than at any time during the 1970s. Had Algeria not halted bank borrowing in 1979-80, the country today would be travelling the path to the International Monetary Fund so many other Third World countries have over the past 18 months. What is more, Sonatrach has been able to hold up Algeria's foreign income despite the decline in the prices of oil and gas.

Algeria's disbursed debt today can be estimated at some $15bn (against $14.3bn last December), with a further $3.4bn worth of lines of credit committed to defence borrowers but undisbursed. Of its disbursed debt, about $6-6.5bn is accounted for by bank debt, to which must be added $800m to $1bn of short-term monies. Bank debt has declined since mid-1980.

Algerian repayments, to banks and official credit agencies this year amount to about $4.6bn, of which $1.9bn is accounted for by interest. Repayments will be a little heavier in 1984 and 1985, and should decline thereafter. Last year's debt service ratio (interest and capital payments related to exports and remittances) was 29 per cent and can be estimated at 32 per cent in 1983. Reserves, meanwhile, amount to $1.8bn in foreign currency and $2.2bn in gold valued at today's market price. That provides cover for 4 months' imports.

Organisation for European Co-operation and Development figures for the first five months of this year suggest that exports are holding up well and that imports may dip 5 per cent below last year's figures of $10bn or so. Exports of hydrocarbons in 1982 amounted to $12.7bn, and while fears of a large shortfall were strong in Algiers last spring, following the fall in the price of oil last winter, present indications suggest that Sonatrach's income from abroad will be comfortably above the $12bn mark by the year-end.

The ability of Sonatrach to tailor its product mix—oil sales account for only 20 per cent of its foreign income today, the balance being made up of condensates, gas and liquid petroleum gas—to market needs has ensured that Algeria has been one of the few members of Organisation of Petroleum Exporting Countries not to suffer unduly from the price falls of the past year or two.

Sonatrach's performance means that Algeria's current account deficit, which reached an estimated $1bn in 1982, will probably fall by $200-$400m this year. Algeria has also benefited from the strength of the dollar —all its income is in that currency—and the fact that about half its imports are denominated in currencies such as the French franc, the Spanish peseta and the Italian lira which have fallen sharply against the dollar.

Exports of gas, oil and condensates are bound to suffer from depressed world demand. The volume of gas exports in particular is highly uncertain. If the price of oil remains stable and world economic growth is around 3 per cent, then Algeria can look forward to an easier ride.

Much is also at stake in the matter of the current reorganisation of Algerian state industry and the encouragement handed out to the private sector, which employs one third of all Algerian workers. If productivity and the quality of goods coming from domestic plants do not increase, the whole economy will suffer.

One thing is sure, however: as in the 1970s Algeria's senior civil servants, particularly where external financial matters are concerned, have a powerful grip on the machine. Orders to cutback on imports went out as early as July last year, and were relaxed last summer, when it became clear that Sonatrach's income was holding up better than expected.

Algeria has always honoured its debts and has never been seen to misread its key hydrocarbons and financial indicators. There will be many other Algerian forays into the international capital markets—and negotiations with international banks will not be easier tomorrow than they have been to date.

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Candidates should have at least three years industrial post qualification experience, ideally but not necessarily in a similar environment. Graduates, male or female, are preferred with demonstrable intellectual capability, an outgoing personality, and the ability to motivate subordinates. A strong commercial awareness and an enthusiasm for working closely with operating management are essential.

A detailed information handout is available. Please contact George Ormrod BA (Oxon) or Barrie S Grossman BA (Econ), FCA on 01-836 9501 or write to Douglas Llambias Associates at our London address quoting Reference No: 4243.

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26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
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DLA

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

at the

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8th-11th November 1983

Hall B, Barbican Exhibition Centre, London

10 a.m.-6.30 p.m.

Stand 66

Our stand features a range of products, services and information available to businessmen and particularly accountants. The Financial Times executives on the stand would welcome the opportunity of meeting both readers and advertisers. Complementary copies of the Accountancy Survey published on 8th November will be available from the stand.

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Our last one was promoted, could you fill the vacancy created?
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The promotion of our Financial Accountant to Company Secretary with prime financial responsibility for the U.K. company means that we need to recruit a high calibre man or woman as a replacement.

Benefits include subsidised mortgage facilities. Relocation at company expense would be considered.

Please submit your C.V. indicating why you think you are suitable to:-

The Personnel Manager, New Zealand South British Insurance PLC, Maitland House, Warrior Square, Southend-on-Sea, Essex SS1 2JS. Telephone: (0702) 62955 (Answerphone operates outside normal working hours).

NZSB

ACCOUNTANCY APPOINTMENTS
appear every THURSDAY
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Internal Audit Supervisor

London based, for Europe ***to £30,000+car***

Our client is Carnation, the US-based food industry multinational group. The internal audit function is being strengthened by the formation of a three-man internal and EDP audit team to cover Carnation's substantial operations in the UK and Europe.

The Internal Audit Supervisor, like his two colleagues, will report independently to Head Office in Los Angeles, and will be responsible for auditing Carnation's financial systems and procedures at sites in France, Germany, Italy and Spain..

Candidates, male or female, must be chartered accountants and will probably be currently employed at manager or senior manager level with at least 5 years p.q.e. in the profession. Our client is looking for a "heavyweight", combining a very high level of technical ability with the interpersonal skills necessary in dealing with clients. There is no upper age limit, but candidates must be able and willing to spend an average of 50% of their time away from home. Fluency in French is essential.

This is a key post, and our client will negotiate an attractive package of benefits including a salary up to £30,000. Initial interviews will be held before Christmas in London and the preferred one or two candidates will then be interviewed in Los Angeles.

Detailed CVs, including current salary
and a day time phone number,
should be sent to Alan Gilmour,
Executive Selection Division, Southwark Towers,
32 London Bridge Street, London SE1 9SY.
Please quote ref MCS/9031.

Price Waterhouse
Associates

Accountancy Appointments

APPOINTMENTS

Co-operative Insurance Society chairman

Mr David Wise has been elected chairman of the CO-OPERATIVE INSURANCE SOCIETY, following the resignation of Mr W. Farrow after his appointment as chief executive of Co-operative Retail Services in October. Mr Peter Paxton has taken over from Mr Wise as deputy chairman of the CIS. A director of the CIS since 1975 and a director of the Invicta Co-operative Society in Kent, Mr Wise is national secretary of the Co-operative Party. He is on the board of the Co-operative Wholesale Society. Mr Paxton is the chief executive officer of the Cambridge and District Co-operative Society and is chairman of the CWS board. He is also chairman of the Co-operative Bank, First Co-operative Finance and of Co-operative City Investments.

★

The ARTHUR LEE GROUP appointed Mr James Henderson as managing director of Lee Bright Bars. He will remain managing director of Lee Steel Strip and consequently will be responsible for all operations at the Meadow Hall Works of the group—as well as the Warrington Works of Lee Bright Bars.

★

Mr R. W. Archer, a member of the HALIFAX BUILDING SOCIETY'S London board, has been appointed a director of the Society from December 1. He is personnel director of Unilever and a member of its parent boards.

★

LINFORD BUILDING GROUP has created a division based at Cannock which draws together the various specialist departments under central management with its own support services. It is headed by general manager, Mr Alun Dow, a director of Linford Building.

★

Mr Peter Braand has become non-executive chairman of BERSHIRE HOSIERY (UK). He is joint managing director of Ulster Arcade Brands, and a director of Ulsterbus and Citibus.

★

Mr Derek F. Coyle has been appointed managing director of E. JOPLING AND SONS, Sunderland, a member of the Weir Group's foundries division. He was managing director of Weir Fabrications, Hoyland.

★

Mr G. Roy Johnson has been appointed marketing services manager for WESTMINSTER ASSURANCE. He was marketing support manager for Refuge Assurance based in Manchester. Westminster Assurance is the trading name of City of Westminster Assurance. It is part of the Sentry Group.

★

Mr Gerald F. Nash, a group staff director, has been appointed to the main board of LONDON MERCHANT SECURITIES. Mr Nash joined LMS in 1957 and is currently a consultant for property construction and development matters.

★

Mr Michael P. Boreham has been appointed executive manager of THE HYDROGRAPHIC SOCIETY. He was proposals and planning co-ordinator with Cable and Wireless.

★

Mr James A. Meehan has been appointed president and general manager of GENERAL ELECTRIC INDUSTRIAL AUTOMATION—EUROPE, a new affiliate organisation of General Electric Company of the U.S. He was general manager of the company's robotics and vision systems department in Orlando, Florida. Mr Paolo Fresco, vice president and general manager of GE (U.S.A)'s Europe and Africa operations, will be chairman of the new organisation.

★

Mr J. S. Baine has been appointed general manager of THE FIRST NATIONAL BANK OF CHICAGO'S London branch.

Mr Steven Baine, general manager, First National Bank of Chicago's London branch.

He was a general management consultant with McKinsey and Co, and headed a team which advised the bank on international strategy—he has been invited to implement his recommendations.

★

Mr Finlay Murchie, who joined in 1982 and was appointed to the board in December, has become managing director of JENNINGS BROTHERS, Cockermouth. Mr Roland Starkie, who was managing director, remains an executive member of the board and has been appointed a consultant. He joined Jennings in 1937.

★

Mr P. A. Renn has been appointed senior manager, business analysis and planning; and Mr David W. Gilman has been appointed chief accountant of the FORWARD TRUST GROUP, a subsidiary of Midland Bank.

★

MINOLTA (UK) has appointed Mr Dick Luff general manager of its photographic division. Prior to joining Minolta, he spent six years as marketing director of Hanimex (UK).

★

Mr Ronald E. Basher has been appointed managing director of ROXBURGHE GUARANTEE CORPN.

★

Sir Donald Maitland has been appointed a non-executive director of SLOUGH ESTATES. Sir Donald was appointed Permanent Under-Secretary of State, Department of Energy in 1980, a post he held until his retirement at the end of last year.

★

Mr R. A. Pollitt, who was executive director of the south-west regional office of the National Westminster Bank, has been appointed a director of WESTERN PROVIDENT ASSOCIATION.

★

Mr Ian Weston Smith has been appointed chairman of BIOMECHANICS INTERNATIONAL. He was chairman of The Morgan Crucible Co. Mr Max Rippon relinquishes his position as chairman of Biomechanics International, but remains group chief executive.

CONTRACTS

£6.6m U.S. order for Ruston gas turbines

RUSTON GAS TURBINES INC, Houston, Texas, has secured an order for eight Ruston type TB 5000 gas turbines valued at \$10m (£6.6m). The turbines, ordered by Stearns & Rogers of Denver, Colorado, contractor for the Atlantic Richfield Company (ARCO), will be operating on the Alaskan North Slope at Kuparuk. Six turbines will drive pumping sets used to inject water into producing fields to maintain reservoir pressure, while two turbines will be for generator sets, supplying electricity to a power station at Kuparuk. Ruston Gas Turbines at Lincoln is to complete delivery in early 1984 to Ruston Gas Turbines Inc, who will package the units into pumping and generator sets.

★

PLESSEY OFFICE SYSTEMS has been awarded two contracts through the Ministry of Defence for the supply of 17 CDSS digital switches to the Falkland Islands, and for the supply of four IDX digital PABX's totalling 6,400 lines to be installed in the UK. The four IDX systems, worth £1.6m, include a 4,000 line exchange for the Atomic Weapons Research Establishment at Aldermaston. It replaces a 30-year-old Strowger PABX originally commissioned for the Festival of Britain site, and is bigger than many local public exchanges. Housed in 45 sq metres, the IDX occupies 80 per cent less floor space than the old exchange.

★

APT CONTROLS has won what it believes to be the largest order for parking systems in Britain. The order, from Westminster City Council, is for £781,000-worth of parking meters for the West End of London. Some 3,075 APT Duncan VIP 70 meters will be installed in the spring.

★

MOUNTAIN RANGE, Crewe, manufacturer of specialised fire fighting and emergency vehicles, has received an order from Greater Manchester Council Fire Service for 11 fire engines based on the Dodge fire chassis. The order is worth nearly £500,000.

★

FIVES-CAIL BABCOCK of Paris has won a contract, worth over £1.7m, from Snamprogetti for a waste heat recovery system, for the ICI agricultural division's Billingham factory. The system is to be installed in a 1,000 tonnes a day nitric acid unit, with a single burner-boiler assembly which has a burner diameter of 5.2 metres. The unit will be the largest in the world operating under these conditions, says Fives-Cail.

★

Pumps and associated equipment worth over £2.5m are to be supplied by WEIR PUMPS of Glasgow to NEI-Parsons of Newcastle. They will form part of the NEI-Parsons turbine generator contract to the Public Utilities Board, Singapore, for a power station being built at Pulau Seraya.

★

Singapore Airlines has ordered two advanced technology products worth £1m from SMITHS INDUSTRIES for its six Airbus Industrie A310 aircraft; the flight management computer system and LED engine indicators. Singapore Airlines' six new 747-300 aircraft will be equipped with SI's counter-point engine indicators.

Accountancy Appointments

Two Accountants
London and London/Geneva

Our client is a highly successful firm of accountants with offices in London and Geneva. Considerable expansion is planned, and two Chartered Accountants are needed to help spearhead this expansion. Career opportunities are excellent.

Corporate Finance – London
The applicant will currently be involved in corporate finance, probably either with a bank or a firm of stockbrokers.

Trust/Fiduciary – London & Geneva
The applicant would have experience of trust work, possibly gained through working in offshore locations (Caribbean, Channel Islands etc.)

Both positions will be based at the client's executive offices in Central London. The successful applicants are likely to be aged 28-35, and will be paid a starting salary in the range of £18,500-£25,000, depending on their experience. There will, of course, be the normal fringe benefits, in line with the responsibility of the job.

Please send a comprehensive résumé, including salary history and day-time telephone number to:

MURRAY ROBINSON CONSULTANTS
8 Chichester House, Chichester Rents, Chancery Lane, London WC2A 1EJ.

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If interested please send full career and personal details to: John Overton, FCA, Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham B5 7AS or telephone 021-622 3838 (anytime) for an application form, quoting reference 7/1120.

Applications are welcomed from men and women

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Contact John P Sleigh FCCA on 01-405 3499 quoting ref. J/64/FF

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

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The successful candidate will enjoy exposure to all aspects of the bank's activities, working on a variety of assignments, in a largely autonomous role.

The salary will be augmented by normal bank benefits. A car will also be made available after a probationary period.

Please telephone and send your C.V. to:

Barry C. Skates
ACCOUNTANCY APPOINTMENTS EUROPE
1-3, Mortimer Street, London W1
Tel: 01-637 5277 ext. 281/282

GROUP ACCOUNTANT £20,000 ++
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COMPANY NOTICES

INVESTORS IN INDUSTRY GROUP PLC
14% UNSECURED LOAN STOCK 1983

Investors in Industry Group plc 14% Unsecured Loan Stock 1983 outstanding on 20 December 1983 will be redeemed at par on that date, whereupon interest will cease.

The latest date on which stock transfer forms will be accepted for registration is 21 November 1983. The register for the Stock will be closed on the evening of 23 November 1983 and redemption money will be payable to persons registered as holders of the Stock at that time.

Bank of England.

QUEBEC CENTRAL RAILWAY COMPANY

CAPITAL STOCK

In preparation for the payment of the half-yearly dividend due January 15 1984 on the above Stock, the Transfer books will be closed at 3.30 p.m. on December 9 and will be re-opened on December 22 1983.

W. E. REEVE
Assistant Secretary.

50 Finsbury Square,
London EC2A 1DD.
November 10 1983.

UK COMPANY NEWS

Witan ahead and issues rights warrants

GROSS revenue of Witan Investment Co. advanced from £3.58m to £4.85m in the six months to October 31 1983 and a rights issue of warrants to subscribe for one ordinary share for every ten held has been announced.

The net interim dividend is being lifted from 1.05p to 1.2p and the directors forecast that the final payment will be at least maintained at 1.2p.

Interest charges and expenses for the half year took £941,000 (£625,000) and, with tax at £1.33m (£975,000), earnings per 25p share increased from 1.14p to 1.48p.

The directors say that the warrants, which will be issued to holders on the register at the close of business on October 30, will be exercisable on August 1 in any of the years between 1984 and 1993.

At the end of the six months the net asset value, after taking prior charges and currency loans at par, was 153p (106.6p) and the warrants will be issued at this price. Net assets at market value are given at 154.4p (108.2p).

No payment in respect of the warrants will be required unless and until subscription rights are exercised. Dealings are expected to commence on November 14.

● comment

Rare indeed is the investment trust bird laying warrant eyys outside of marriage. But Witan has decided to give its shareholders a 1-for-10 issue without the obvious excuse of bid or merger. When the whole sector is fairly much convinced that the average discount on investment trust prices cannot be narrowed until a lot of paper gets taken out of the system, why is Witan, potentially at least, adding to the paper pile? The most cynical answer is that Witan is indulging in a bit of public relations. Witan is the flag ship of Henderson Administration's investment trust management. According to Association figures it has been in the upper quartile of performers on both a one-year and five-year view. Yet the share price has failed to respond. Inevitably the companies chased are either those in a very narrow market or where (perhaps perversely) poor performance makes them a bid target. Witan presumably hopes to overcome the problem by stirring up a bit of investment interest with a free warrant issue. There are many yardsticks for measuring warrant prices but fore shareholders the most important thing is that they are free, with some market value and giving the right to buy the ordinary at 153p anytime over 10 years.

Sainsbury midway profit ahead 28%—lifts interim

Terry Kirk

Sir John Sainsbury, chairman of the grocery chain J. Sainsbury. Yesterday he announced further expansion by the group; *six supermarkets have come into operation* and a further nine are planned to be opened soon.

FURTHER "excellent growth" has been achieved by J. Sainsbury, the grocery giant, in the 28 weeks ended October 8 1983. Profit before tax has risen by 28 per cent, from £48.79m to £62.49m, and the interim dividend is lifted from 1.9p to 2.4p net.

Reporting on the period the directors state that sales were up from £1.18bn to £1.36bn. This rise equalled 15.2 per cent and volume growth (sales adjusted for inflation) was around 10 per cent, a level sustained consistently over the past two years.

Retail profit rose from £46.25m to £59.31m, a gain of 28 per cent, and net margin percentage improved from 3.92 to 4.36, reflecting further advances in productivity and efficiency. "Our exceptionally strong price competitiveness was fully maintained," the directors claim.

Sales for the period included VAT of £57.25m (£46.86m). After tax £18.75m (£14.64m) the net profit came out at £43.74m (£34.15m) for earnings of 12.78p (10.1p) per share. For the 56 weeks ended March 26 1983 the group made a profit of almost £109m and paid a dividend of 5.85p.

In the period six new supermarkets opened and nine are planned for the second half. Total investment during the year is expected to reach £175m.

The DIY and garden centre subsidiary, Homebase, traded well. Four new stores opened in the first half and three more are due to open in the second. The performance of the associate, SavaCentre, continued to improve, with sales in all five hypermarkets increasing in real terms.

Sainsbury has completed its purchase of 21 per cent of Shaw's, an American supermarket chain based in New England, for $21.2m.

The 1982-83 distribution under the profit sharing scheme resulted in 667,000 shares going to 6,970 employees who chose to take their distribution in shares. A further 18,840 staff received £4.75m cash from profit sharing.

As usual, no provision for profit sharing has been made in the half year's accounts since the level of profit share is dependent on the full year's results. However, if the scheme's formula was to be applied to the half year's results alone, it would produce a distribution of £3.8m to be taken in cash or shares.

See Lex

£1m interest cut helps Chubb

A REDUCTION of some £1m in interest charges was reflected in pre-tax profits of Chubb & Son, security systems group, which rose from £4.03m to £4.45m for the six months to September 30 1983, on sales of £143.24m against £140.42m.

Operating profits however, fell from £7.59m to £7.15m, with a lower UK contribution of £3.67m (£5.09m) only partly offset by an increase of £0.98m to £3.48m overseas.

The fall in UK profits was almost entirely due to results of Chubb & Sons Lock and Safe Co which did not benefit in the period from export contracts following a significant contribution in the corresponding half of 1982. However, the Parkes companies, Chubb Alarms and Guardall produced materially higher profits.

Overseas, both Canada and Australia, despite far from easy trading conditions, made substantial progress. The situation in the Continental operations—particularly Holland—is still difficult, although operations there are showing a profit compared with a loss in the comparable period last year.

The directors say it is too soon to say that the company is feeling the benefit of economic upturn in the markets in which it trades. Indeed, in some markets, conditions are going to be difficult over the remainder of the financial year, they point out. In these areas, the emphasis is necessarily on containment rather than growth.

The net interim dividend is marginally higher at 1.95p (1.9466p)—last year's total was 5.95p on pre-tax profits of £14.14m. First-half earnings per 20p share improved from 2.87p to 3.61p.

Pre-tax profits for the period were after interest charges of £2.8m (£3.76m) and associates' contributions of £97,000 (£200,000). Tax charge rose from £1.92m to £2.05m and minorities took £188,000 (£350,000).

The directors note that it is in the area of electronic security that much is being achieved, using the resource of modern technology to provide ever more sophisticated and reliable security systems.

● comment

Chubb is well and truly shot of the costs of withdrawing from its ill-fated cash dispensing venture. Yet the group's performance still seems strikingly dull against some of its smaller competitors in electronic security. The company points out that the comparable period's profits were flattered by a spate of large contracts to supply traditional security products to the Middle East, which has now dried up. Meanwhile, electronic security profits in the UK were up by 50 per cent, chiefly due to increased demand from commercial and financial services customers. But electronic security represents less than a third of total sales, so group historic operating profits were down by 6 per cent and volumes were down marginally in real terms. All this means that Chubb continues to look like a possible bid candidate, although the recent change of managing director might win it grace for a while. The shares stand at 144p, where the historic yield is 6 per cent and Chubb is capitalised at £87.4m.

General Accident up 31% at nine months

HURRICANE LOSSES in the U.S. were largely responsible for a nearly doubled underwriting deficit in the third quarter at General Accident Fire and Life Assurance Corporation. Pre-tax profits for the period to September 30 declined from £27.1m last time to £8.5m leaving the nine-month figure ahead 31 per cent at £44m, against £33.6m.

The third quarter underwriting loss of £45.3m (£24.4m) produced a similar overall deficit at the nine-month stage of £111.7m (£111.5m) representing 10.9 per cent (12.2 per cent) of premiums. General premiums rose by 12.9 per cent from £910.6m to £1.03bn—reduced to 9.6 per cent excluding currency movements.

Investment income for the nine months was up 7.3 per cent from £143.2m to £153.7m—or 5 per cent excluding currency movements. Pre-tax profits were after adding long-term insurance profits of £3.2m (£3.1m) but debiting unchanged loan interest of £1.2m.

After a doubled tax charge of £3.4m and minorities and preference dividends taking £0.9m (£0.5m) net attributable profits were head by just over 25 per cent at £39.7m, against £31.4m. Earnings per 25p share climbed from 18.8p to 23.6p.

Commenting on the nine-months' results, Mr Buchan Marshall, chief general manager, said "the major influence on our underwriting result in the third quarter has been the impact of hurricane losses in the U.S., which have reached nearly £10m net of reinsurance. Although we have only a small property account in Texas, our involvement is concentrated in Houston, which bore the full force of the hurricane.

"Without this exceptional loss, we would still have been able to report a small underlying improvement in U.S. experience for the nine months. Our underwriting result was also affected by some reserve strengthening in Canada where the market is once again becoming more competitive.

"In the UK the high claims frequency continues across the whole account and the benefits of our August rate increase on the important motor account have yet to be realised," he stated.

In the UK, marginally higher underwriting losses of £12.8m (£11.9m) resulted in a deficit for the nine months down from £52.6m to £42.5m, or 11.4 per cent (15 per cent) of premiums. UK premium income was up just over 6 per cent from £350m to £372m.

Despite a further increase in claims frequency, the motor account improved slightly during the third quarter, with losses of £3.5m (£4.4m), but the nine months deficit was up by £4m to £14.9m.

Homeowners business showed a reduced loss of £9.1m (£11.1m) at the three-quarter stage, but underwriting experience in the third quarter deteriorated sharply to a deficit of £3m.

Modest improvement continued during the third quarter in the industrial fire and traders' accounts with a reduced deficit of £3.8m making aggregate losses of £10.8m (£25.2m) for the nine months. The liabilities account, however, continued to deteriorate.

In the U.S., an underwriting deficit in the third quarter of £21.2m (£8.4m loss) produced a deficit for the nine months up from £32.8m to £46.6m, on written premiums 10 per cent higher at $593m ($539m).

Losses arising from Hurricane "Alicia" amounted to £9.4m which seriously affected profitability on the property accounts. However, there was significant improvement in private auto experience during the quarter, although the account is still unprofitable at the nine months.

Operating ratio was 110.99 per cent (109.35 per cent), but if the effect of "Alicia" is excluded, the ratio is reduced to 108.48 per cent.

The current solvency margin worldwide is 76 per cent against 75 per cent at the end of 1982.

Commercial Union ahead and optimistic for year

IN THE first nine months of 1983 the Commercial Union Assurance Company has shown the steady improvement expected, and all major territorial operations, apart from the U.S., fared better than for the same period last year.

And looking ahead, Mr Cecil Harris, the chief executive, says he expects the current improvement in results to continue. Although the difficulties in the U.S. market are likely to persist for the time being, "there are some hopeful signs," and the aim is to have completely eliminated American losses at the bottom line by the end of next year. The rest of the world-wide operations are performing satisfactorily overall.

For the third quarter the group made a profit of £13.4m, giving a total of £43.8m for the nine months, compared with £24.3m in the same period of 1982. The underwriting loss for the nine months came to £191.7m, against £179.9m, with only Canada showing a surplus—£1.3m compared with a loss of £6.8m. Other losses were U.S. £149.6m (£125.9m); UK £28.4m (£32.4m); Netherlands £12.4m (£8.6m); rest of the world £2.6m (£6.2m).

Against these losses investment income net of loan interest totalled £193.8m, compared with £173.5m, there were life profits of £33.7m (£25.5m) and associates earnings of £8m (£5.2m). Premium income came to £1.73bn (£1.58bn) of which £1.45bn (£1.33bn) was non-life.

After allowing for the effect of exchange rates the underlying increase in investment income was 3 per cent and in non-life premium it was under 1 per cent.

Realised gains less losses on investments amounted to £36m and shareholders' funds stood at £1.1bn at September 30, representing a solvency margin of 59 per cent.

Net attributable profit came to £22.2m (£43.2m) after deducting tax and minorities £21.6m (£9.3m) and crediting last time the balance of life profits for 1979-81 of £28.2m. Earnings per share are 5.39p (3.63p).

Mr Harris says in the U.S. the statutory operating ratio was 118.5 per cent (117.1 per cent), made up of a claims ratio to earned premiums of 84.8 per cent (82.9 per cent), and an expense ratio to written premiums of 33.7 per cent (34.2 per cent). The underwriting experience reflected the cost of hurricane Alicia, amounting to £7.6m, and the continuation of upward revisions to outstanding claims provisions.

In commercial lines the competitive market prevailed, but in personal lines improved experience was maintained. Premium income continued to reflect the programme of consolidation and was 7 per cent lower than last year (growth 11 per cent).

Big cuts in America have so far seen a total of 1,300 jobs disappear over a period of some 18 months, taking the workforce there down to some 6,500.

Over the same period the group has closed 15 of its U.S. branches giving it representation now of around 50.

Further reductions in the workforce are planned, although on nothing like that scale.

At home, non-life premium growth of 11 per cent was at a similar level to 1982. The underwriting loss was lower, although experience for personal business showed some deterioration in the current quarter and market conditions generally remained competitive.

Mr Vernon Bryan, general manager of the UK division says trading conditions remained difficult and there is no sign of a consistent upturn in rating levels. "We have continued our policy of selective underwriting of commercial classes and are encouraged by the good growth of our domestic account."

Life new business has maintained its momentum and continued to show a substantial increase over last year. Restructuring of the regional and branch network has been completed as planned. In addition, the next phase of teleprocessing involving commercial lines has commenced.

In Canada, there was an underwriting profit despite some deterioration in motor business during the current quarter.

The better experience for the rest of the world resulted from improvement in Western Europe and a further good result for the Far East.

HIGHLIGHTS

After a brief round-up of London's stock market, where the Government Broker exhausted his short tap yesterday, the Lex column goes on to concentrate on the third-quarter results from three insurance groups, Commercial Union and General Accident in the UK and Signa of the U.S., in the light of August's hurricane damage. J. Sainsbury pushed out its figures for the first 28 weeks of its year yesterday, showing its usual solid profits growth, with the pre-tax line up by 28 per cent. Smiths Industries unveiled some excellent preliminary figures. On the inside pages the interim figures from Hill Samuel come in for consideration. On the bids and deals front Grand Metropolitan has increased its stake in Pleasurama, ahead of the Monopolies report in a week's time on Pleasurama's bid for Trident.

Protimeter placing on the USM

By Dominic Lawson

The latest in the seemingly unstoppable stream of companies flooding on to the three-year-old Unlisted Securities Market is to be Protimeter.

The company, which was formed in 1958, designs and manufactures instruments for measuring moisture in crops, buildings and the atmosphere. It sells them throughout the UK and in over 60 other countries.

Protimeter will be coming to the USM via a placing by brokers Phillips & Drew. After expenses, about £120,000 will be raised for the company by the issue, and a similar amount will be realised by existing shareholders.

In the year to June 30, 1983, Protimeter made pre-tax profits of £294,000 on turnover of just over £1m. No profits forecast will accompany the issue, but Mr Ernest Gobert, the chairman and co-founder of the company, said yesterday that in the first few months of the current year: "We are significantly ahead both in turnover and profitability."

Following the placing of about 20 per cent of the enlarged equity, Mr Gobert and his family will hold the remaining 80 per cent.

It seems likely that Protimeter will come to the market on a fully taxed price earnings multiple of about 14, which would indicate a market capitalisation of around £2m.

Seccombe Marshall

Seccombe Marshall and Campion, discount house, announces that it made a profit in the first half of the year to October 31 1983.

An unchanged interim dividend of 0.6p is declared. A final of 13p was paid last year with profits, after tax and transfer to reserves for contingencies at £427,993 (£409,723).

BOARD MEETINGS

TODAY

Interims: Amber Industrial, Henry Ansbacher, Applied Computer Techniques, Bank of Ireland, John Beales, British and Commonwealth Shipping, British-Borneo Petroleum Syndicate, Caledonia Investments, Capital Gearing Trust, Elswick-Hopper, Holyrood Rubber, Kuala Selangor Rubber, S & U Stores, Staveley Industries, Valor, Whittington Engineering.

Finals: Anglo Scottish Investment Trust, Arenson, LWT, National Commercial Banking Corporation of Australia, New Cavendish Estates, North Atlantic Securities.

FUTURE DATES

Interims—	
Anglo American Corp. of South Africa	†Nov 24
Berkeley and Hay Hill Invests.	Nov 11
Black (Michael)	Nov 16
Cable and Wireless	Nov 15
England (J. E.) (Wellington)	Nov 11
Feedback	†Dec 1
London and Liverpool Trust	Nov 16
London Trust	Nov 16
Rothmans International	Nov 22
Spong	Nov 18
Zygal Dynamics	Nov 22
Finals—	
Comet	Nov 21
G.R. (Holdings)	Nov 11

† Amended.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Asset Special	int.	0.42	Jan. 6	0.63§	—	1.35¶‖
Bellway		4	Jan. 20	4	7	7
Chubb & Son	int.	1.95	Jan. 4	1.95	—	5.95
Churchbury Ests	int.	5.7	Jan. 9	5	—	14.5
External Inv. Tst.	int.	5	—	4.5	—	10
Feedex	int.	0.5	Jan. 6	0.5	—	1.15
Fidelity	int.	1†	—	nil	—	0.1
Futura Hldgs.	int.	1.5	Jan. 17	1.31	—	3.56
Hill Samuel	int.	3	Jan. 3	2.8	—	9.1
Jessups		2	Jan. 6	2	3	2
Law Land	int.	0.8	Jan. 9	0.7	—	2.3
Linread	int.	0.1	Dec. 14	1	0.1	1
Lon. Entertainments		1.92	—	1.8	1.92	1.8
J. Sainsbury	int.	2.4	Jan. 20	1.9	—	5.85
Seccombe Marshall	int.	6	Jan. 3	6	—	19
H. C. Slingsby	int.	0.6	Jan. 4	0.6	—	2.4
Smiths Inds.		7.5	Jan. 3	7	11.5	11
Wemyss Inv.		13	—	13	20	20
Witan Inv.	int.	1.2	Feb. 1	1.05	—	2.25

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For nine months. ¶ For 15 months. ‖ Including 0.3p special.

Public Works Loan Board rates

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
	Effective November 9					
Up to 3	10¼	10¼	10¾	11¼	11¼	11¾
Over 3, up to 4	10⅜	10½	11	11½	11⅜	11⅞
Over 4, up to 5	10½	10⅝	11⅛	11⅝	11½	11⅞
Over 5, up to 6	10⅝	10⅞	11¼	11⅝	11⅝	11⅞
Over 6, up to 7	10¾	11	11¼	11¾	11¾	11⅞
Over 7, up to 8	11	11⅛	11⅜	11⅞	11¾	11⅞
Over 8, up to 9	11⅛	11⅛	11½	11⅞	11⅞	11⅞
Over 9, up to 10	11⅛	11⅛	11½	11⅞	11⅞	11⅞
Over 10, up to 15	11¼	11¼	10⅞	11⅞	11⅞	11⅞
Over 15, up to 25	10⅞	10⅞	10⅞	11⅝	11⅝	11½
Over 25	10¾	10¾	10¾	11⅜	11⅜	11

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest. § With half-yearly payments of interest only.

Smiths Industries aided by £2.5m medical boost

BOOSTED by its medical companies Smiths Industries more than made up its £1.63m midyear shortfall through the second six months to finish the full year to July 30 1983 with profits up from £26.46m to £26.84m at the pre-tax level.

The medical companies, which have been consistent cash contributors during their period of rapid growth in recent years, now account for some 40 per cent of pre-tax profits.

Profits arising in North America, principally from the medical, marine and aerospace industries, are approaching one-third of trading profits.

In a statement with the full year results Sir Roy Sisson, chairman, says 1984 holds out "every prospect of being the year during which the group moves from the profits plateau of recent years into a period of profits growth."

Earnings for the past year were up marginally from 33.2p to 33.4p but the final dividend is being increased by 0.5p to 7.5p, which raises the net total from 11p to 11.5p per 50p share.

Group turnover was down slightly from £385.9m to £380.7m and at the trading level profits fell by £0.94m to £31.41m before taking account of much lower interest charges of £4.57m, compared with £5.89m.

Attributable profits emerged at £17.36m (£17.11m) after tax of £9.37m (£9.27m) and minorities of £112,000 (£84,000).

Extraordinary debits rose by £4.5m to £6m to leave retained profits at £5.36m (£9.93m).

An analysis of group turnover and trading profits by division shows: aerospace £97.2m (£93.95m) and £12.64m (£12.6m), automotive £47.25m (£55.2m) and £1.11m loss (£125,000 loss), distribution £55.8m (£61.65m) and £1.34m (£1.16m); industrial £57.3m (£58.9m) and £4.82m (£5.51m), marine £30.2m (£26.95m) and £2.28m (£2.05m), medical £42.75m (£32.45m) and £10.73m (£8.2m) and Australia/Southern Africa £50.2m (£56.8m) and £731,000 (£2.95m).

UK turnover and profits accounted for £256.1m (£268.1m) and £21.2m (£20.51m).

The directors say the medical companies again produced excellent results while the aerospace businesses maintained profits at good levels while substantially increasing the level of private venture engineering development expenditure.

The losses incurred in South Africa were "very disappointing." The traditional business of supplying components to the local motor industry is sound and the group will maintain its investment. However, the diversification activities are the subject of "close scrutiny."

It is pointed out that in the context of the national economy the Australian company performed well in most of its trading activities, although the results were "very severely affected" by the reduction in demand for furniture componentry.

In the distribution sector there was an improvement in profits even though second-half results were depressed by rising losses in the Clock Company which led to the decision to close this business. The overall profitability of the sector remains "too low."

Most of the companies in the industrial category improved their results and in the case of the main exception, Integrated Air Systems, the year ended on a high note with orders received from the U.S. semi-conductor industry for delivery in 1984 rising to record levels.

The North American marine business again demonstrated exceptional resilience in increasing profits during a period of recession and Kelvin Hughes continues to make steady progress towards the new structure necessary for its future success.

After adjusting for businesses sold or discontinued, group sales of the continuing businesses for 1982-83 amounted to £331m (£318m) and profits before tax totalled £29m (£27.5m).

See Lex

Good second half lifts Bellway to over £3.6m

THE second half has seen a boost in the profits of Bellway, the housebuilding group. A near £1m jump in that period has pushed up the total profit to £3.66m for the year ended July 31 1983, from a restated £2.62m.

Earnings have improved from 16.6p to 17.8p. The dividend is maintained at 7p net, with an unchanged final of 4p.

The year's turnover rose by over £10m to £48.6m. Cost of sales absorbed £39.44m (£29.81m), administration expenses took £4.11m (£4.04m), and interest charges were £1.4m (£1.99m). The tax charge comes to £862,000 (£336,000).

● comment

Bellway's strong recovery may be market-led but credit must also go to the wide-ranging management and policy changes that have been taking place over the past couple of years. Apart from turning regional areas into autonomous profit centres, there has been a deliberate policy to shift away from the traditional north-east base into the more prosperous south-east corner of the UK and to concentrate more on first-time house buyers. All these moves are now bearing fruit—as the sales figures show. These reflect a 20 per cent unit increase in legal completions, a trend which could be repeated this year if the mortgage rate continues to fall. In anticipation of this the company is obviously building up its land stocks—a move which will present no gearing problems whatsoever given the rights issue last year. The company is in its strongest position for many years. At 127p, the earnings multiple is almost 7 on stated earnings while the yield is 8.1 per cent—a rating not far removed from the sector average.

MFI rights result

The £28.6m rights issue by MFI Furniture Group has met with an enthusiastic response from shareholders. Of the 24,623,931 shares offered on a one for seven basis at 120p each, acceptances in respect of 98.2 per cent were received. The remaining 445,539 new ordinary shares have been sold in the market at an average net premium of about 25p each.

Cheques will be posted to non-accepting shareholders in respect of the proceeds of their entitlements, but no payments of less than £2 will be made.

Hill Samuel's interim rise to £10.8m

AN INCREASE of £1.14m in net taxed profit has been achieved by the Hill Samuel Group in the half year ended September 30 1983. The profit is up from £9.66m to £10.8m, and the net interim dividend is being lifted by 0.2p to 3p.

Sir Robert Clark, chairman, says the results represent a further improvement on the substantial increases in profitability achieved in recent years. Fully diluted earnings have risen from 13.82p to 15.01p per share.

Merchant banking produced a profit of £7.78m (£7.07m) after transfer to reserves for contingencies, with investment results amounting to £590,000 (£262,000). Operations benefited from a very high level of investment banking activity and improved profitability from commercial banking, but the world-wide contribution from foreign exchange, commodities and related trading activities was greatly reduced. The increase in profits was due to the partial realisation, since completed, of the dealing equity portfolio.

Life and investment management had an "excellent half year," with profits up from £1.23m to £1.95m. Sir Robert says investment management profits showed strong growth in a period of generally high and active stock markets during which significant new funds came under management. Sales by Hill Samuel Life Assurance of both annual and single premium products were above last year.

The half year's net profit was struck after central costs, including interest, of £1.97m (£1.79m).

● comment

Hill Samuel has absorbed some heavy costs which took the shine off one of the best six months in merchant banking for some time. The shares responded with a 12p fall to 266p. Profits from foreign exchange commodities and related trading activities were sharply down and the group carried the expense of setting up a new trading operation in New York to deal with the budding offshore market there. The banking side has adopted a cautious line on Brazilian and Mexican loans and is not taking any interest payments into its profit and loss account. That said, payments from both countries are still up to date. One black spot was Noble Lowndes employee benefit services which made a loss on software sales in the U.S., though the management claims action has been taken. For the rest of the year merchant banking may not be able to match its recent strong performance while the other activities should start yielding better returns. Taking a line through the interim dividend increase the group might come out with a 9½ net dividend giving a yield of 5.3 per cent.

Churchbury well ahead midterm

PROFITS ON investment activities of Churchbury Estates, the property group, jumped from £879,000 to £1.5m in the six months to September 30, 1983 and the net interim dividend is being lifted from 5p to 5.7p. Last year's total payment was 14.5p when profits amounted to £2.34m.

Turnover at midterm showed an advance from £3.24m to £3.57m. Net rental income was £2.29m (£2.43m), with gross rents at £2.69m (£3.01m) before property outgoings of £396,000 (£579,000).

Other income added a further £195,000 (£162,000) but administration expenses took £512,000 (£593,000) and interest payable absorbed £475,000 (£1.12m). Tax on investment activities was £607,000 (£448,000) and there was a profit on dealing activities of £1,000 (£3,000) after tax of £2,000 (£3,000).

This left the first half net profit at £892,000 (£434,000) and, with minorities taking £104,000 (£52,000), the attributable balance came through at £788,000 (£382,000). The interim dividend cost £396,000 (£346,000) for retained profits of £392,000 (£36,000), and extraordinary credits of £381,000 (£185,000 debits) have been taken to general capital reserve wheras last time they were taken from reserves.

Earnings per 25p share on investment activities were 11.43p (5.48p). On investment and dealing activities they were 11.44p (5.52p).

The profit on investment activities of Law Land, the 88.9 per cent held subsidiary, improved sharply from £966,000 to £1.59m and its interim dividend is being raised from 0.7p to 0.8p on earnings per 20p share of 2.12p (1.05p on investment activities and 1.06p when combined with dealing activities).

Turnover increased from £2.92m to £3.18m, with gross rents at £2.49m (£2.85m) and property outgoings at £376,000 (£570,000). Other income added £188,000 (£81,000) before administration expenses of £401,000 (£436,000) and interest payable of £310,000 (£957,000).

After tax there was a balance available of £938,000 (£469,000) from which dividends took £357,000 (£313,000) leaving the retained results at £581,000 (£156,000). Extraordinary credits of £363,000 (£40,000) have been transferred to general capital reserve.

Aspinall share allocations

Following the offer for sale of 7.8m shares in Aspinall Holdings at 115p each, 72,000 applications were received for a total of 438m shares valued at £504m. Preferential applications for a total of 780,000 shares made by directors and employees have been allocated in full. Applications from the public will be dealt with on the following basis:

Applications of between 500 and 30,000 shares—weighted ballots will be conducted within each band of applications, and each successful applicant will receive 500 shares. Applications for 35,000 shares and over—1.6 per cent of the shares applied for.

Dealings will begin on November 14.

Continuing losses by Linread

AS ANTICIPATED, conditions remained very difficult at Linread in the six months to the end of July 1983, although the directors point out that losses—which came to £301,000 before tax—showed a small improvement on the losses of £355,000 in the previous six months' period.

For the six months to the end of July 1982 losses before tax came to £51,000.

The directors say that trading conditions for continuing businesses show improvement although increased demand from some markets is offset by static demand elsewhere. The directors have determined a plan to restore the company to profit which they say is being "resolutely implemented."

Continuing high losses in commercial products and engineering led to a detailed review of these activities and significant reorganisation was announced at the end of May. This has involved plant relocation, the discontinuation of unprofitable businesses, and reduction of personnel by 25 per cent in affected areas. Total costs of £595,000 are shown as extraordinary costs in the July figures, of which £312,000 has been incurred at that time.

As part of plans to restore financial health peripheral businesses have been disposed of. Largely as a result of disposals, group bank overdrafts and short-term borrowings have dropped from £2.87m at July 31 1983 to £942,000 at November 7 1983.

During the period substantial losses continued to be incurred in commercial products and engineering. Aircraft products performed well in a difficult market and Linread Canada managed to contain losses at a significantly lower level than in the six months to end January this year.

Group comparative figures for the six months are not given because it is in the process of changing its year end from the end of July to the end of December, with the current accounting period running for 17 months. A comparison of the two 12-month periods to the end of July shows a dive into losses before tax of £656,000 against profits of £99,000.

Turnover for those periods increased from £15.91m to £16.02m.

For the six months under review turnover emerged at £8.23m—the group is engaged in the manufacture of cold forged fasteners.

In order to retain trustee status the directors have declared an interim dividend of 0.1p. Loss per 10p share is shown at 6.62p—in the 12 months to July 31 1982 a single payment of 1p was made.

BIDS AND DEALS

Montfort suspended ahead of Palma deal

SHARES in Montfort (Knitting Mills) were suspended at 28p per share at the request of the Leicester-based sock and knitwear group pending details of its acquisition of the Palma Group.

Palma Textiles already controls Montfort following a 24p per share bid in July. Palma acquired 62.3 per cent, although 200,000 shares from the holding were subsequently placed to bring its stake down to 55.7 per cent.

Palma Textiles has since run a thorough investigation of Montfort and has provided a net sum of £775,000 against stock values. It is now proposed that other elements of the Palma Group will be acquired by Montfort, notably the Pex group of hosiery companies.

ACC raises its stake in Fleet

Mr Robert Holmes a Court's Associated Communications Corporation (Channel Islands) has raised its stake in Fleet Holdings, owner of the Daily and Sunday Express and Daily Star newspapers, to 5.28m shares, representing 6.3 per cent of the equity.

Last month Mr Holmes a Court revealed that his business interests held a 5.5 per cent stake in the newspaper group. On the London stock market the shares of Fleet Holdings fell 1p yesterday to 118p, valuing Mr Holmes a Court's stake at £6.24m.

David Dixon

Mr H. Turpin, a director, has acquired 14,000 25p ordinary shares (0.77 per cent) of David Dixon Group, increasing his interest to 216,989 (11.94 per cent). Another director, Mr R. A. Houghton, has acquired 5,000 ordinary shares (0.27 per cent), taking his interest to 7,500 (0.41 per cent). The directors' interest in the votes of the issued share capital is increased to 16.8 per cent.

GrandMet tops up stake in Pleasurama to 29.9%

BY CHARLES BATCHELOR

Grand Metropolitan, the hotel, brewing and leisure group, yesterday topped up its shareholding in Pleasurama, the casino operator, whose £56m bid for Trident Television is currently being investigated by the Monopolies and Mergers Commission.

GrandMet bought 335,000 shares at 368p each to increase its stake to 7.9m shares or 29.94 per cent of the Pleasurama equity. The company said it had decided to buy the extra shares following the dilution of its Pleasurama holding earlier this year "having regard to the importance of the London casino interests owned jointly by GrandMet and Pleasurama

GrandMet's casino interests have been included in the Monopolies investigation of the Pleasurama bid in a move which was seen by some as indicating that the combined casino activities of the three groups might represent too great a concentration of interests.

A take-over of Trident by Pleasurama would create Britain's largest casino group comprising Pleasurama's 17 provincial clubs and Trident's five London clubs. In addition Pleasurama and GrandMet jointly own two London clubs while GrandMet has four other London casinos.

Mr George Martin, managing director of Pleasurama, said: "GrandMet had indicated to us when they saw their stake go down that they would top it up again. I personally see their timing as a bit of sabre rattling prior to the Monopolies report.

"We have maintained throughout that their stake is not an issue. They don't have board representation and they don't control us. We are totally independent."

Mr Stanley Grinstead, chairman of GrandMet commented: "We have held a bit under 30 per cent for many years. I can't believe this makes that much difference. We see our holding as a defence against possible unwelcome partners."

The Monopolies Commission report is due to be sent to the Secretary of State for Trade on November 18 and his decision is expected in mid-December.

Mr Martin said: "Stage one is to get clearance of the Trident bid and then sit down and see if there is still synergy between the two groups. In principle we are still interested in taking over Trident but a great deal will depend on future discussions with their board."

Pleasurama's shares rose 9p yesterday to a new high for the year of 352p while Grand Metropolitan firmed 7p to 332p. Trident was unchanged at 112p.

Wheelers

The offer for Wheelers Restaurants by Kennedy Brookes has been extended for a further 14 days until 3.30 pm on November 23.

S.African glass group £2.7m UK acquisition

Plate Glass and Shatterprufe Industries of South Africa has made an agreed £2.68m bid for James Clark and Eaton which owns one glass processing factory and 29 retail outlets in the South of England.

Shatterprufe, which is making its bid through its Solaglas International subsidiary, has been accepted by holders of 52 per cent of the equity.

Clark and Eaton made a pre-tax loss of £975,000 on turnover of £30.6m in 1982, but after costs associated with the closure of its main works at Bracknell the loss after tax and extraordinary items was £1.97m.

Mr Iain Eaton, managing director, said the company had moved into profit in the first half of 1983 with £220,000 compared with a £700,000 loss and was now trading profitably.

Solaglas bought control of Doulton Glass Industries in December 1982 and Windshield Enterprises earlier this year. The enlarged Solaglas group now expects to earn about £3.4m before tax in the year to March 1984 on sales of £100m.

Octopus tightens its grip on children's book market

Mr Paul Hamlyn's Octopus Publishing Group, which came to the market in April, is broadening its rangeof children's books through the acquisition of Brimax Books and Brimax Rights for £4m.

A quarter of the consideration is payable in instalments over the next three years, the amounts dependent on Brimax achieving certain undisclosed profit targets.

In their 1982/83 accounts Brimax Books and Brimax Rights reported pre-tax profits of £683,000 and £95,000 respectively. At their respective year-ends they had net tangible assets of £1.58m and £0.17m.

Both companies had net bank balances at year-end, amounting to £1.97m for Brimax Books and £0.19m for Brimax Rights.

Brimax, based in Newmarket with a workforceof 21, will continue to be run by its former owners, Mr A. G. Rogers and family. Mr Rogers has joined the board of Octopus Books while Mr Hamlyn has joined the boards of both Brimax Books and Brimax Rights.

Octopus disclosed an increase in pre-tax profits from £1.97m to £2.24m in the first half of the current year.

One of the company's first moves since its full listing was to announce a joint venture with Habitat Mothercare to concentrate on publications with an emphasis on modern living.

Boustead acquires Powerdrive

Boustead, the broadly diversified international trading group, has agreed to pay a maximum of £1.68m for Powerdrive PSR.

Formerly owned by the American Eaton Corporation, Powerdrive was acquired by its management five years ago with the backing of the National Enterprise Board which paid £20,000 for a 40 per cent stake and invested a further £250,000 in redeemable preference shares.

Boustead's initial payment of £1.5m will be funded through a vendor placing, handled by Hoare Govett, of 2.14m Boustead shares at 72p per share.

The balance of the consideration will be made up of a staged earn-out of a maximum £90,000 in cash in each of the years 1985 and 1986.

The vendor placing follows a similar exercise in August when Boustead paid £947,500 to rehouse its UK commodity operations. The funding was found through a placing of 1.47m new shares.

In between these two market exercises, Boustead has revealed an interim profits decline from £229,000 to just £11,000 pre-tax, described as "very disappointing but not unexpected" in the view of the prevailing conditions. However, the group aims to make up much of the lost ground during the second half to leave profits this year at about £450,000.

The latest acquisition should be completed at the end of this month. Powerdrive, based in Leamington Spa, had net worth of £800,000 at December last year and produced profits of £300,000 before tax in 1982.

Renold sells U.S. chain manufacturing operation

BY RAY MAUGHAN

Renold, the power transmission and mechanical handling equipment manufacturer, has sold to local management the chain manufacturing operation in the U.S. which was closed earlier this year.

A consortium of banks, state institutions and unions has backed former employees to buy the chain manufacturing subsidiary, Renold Power Transmission Corporation, based in West Pittston, Pennsylvania.

Renold has already undertaken a major rationalisation of its chain making activities in Bradford, Manchester, Calais and Einbeck in Germany. The cash cost of this retrenchment, coupled with the elimination of substantial goodwill balances, has been heavy and the group is supported by its bankers, which have put in £37m of terms loans, overdrafts and ancillary facilities, pending a financial reconstruction.

The cash consideration received from the West Pittston management buy-out will be used to cut debt. Renold has been paid $4.4m in cash, $250,000 loan stock redeemable over 2 years and $500,000 of Series "A" preferred stock. But Renold's main U.S. subsidiary, based in Westfield, New York, has given a guarantee for up to $300,000 against part of a loan to the purchasers secured on plant and machinery sold.

Renold has also had to put in a deposit of $300,000 in cash, held in escrow by a U.S. Bank for four years as security for bank lending in respect of working capital.

The group is selling assets valued at $5.1m but which lost over $1m before tax in 1982, the subsidiary's last full year of operation.

IN BRIEF

AIDCOM International has purchased Talking Pictures for £50,000 satisfied by the issue of 68,572 shares in AIDCOM International credited as fully paid but not ranking for the final dividend due in respect of the year ended October 31 1983 and £8,713 in cash.

In addition a further sum may be payable in cash or AIDCOM shares equal to 10 per cent of the aggregate pre-tax profits of Talking Pictures for the three years ending October 31 1986.

It has also bought Media Computer Graphics, a newly incorporated subsidiary company, formed following the purchase of goodwill from the computer animation division of Systems Simulation for the sum of £36,000 payable in cash. The new company has become a subsidiary of Talking Pictures.

* * *

Carrington Viyella, a subsidiary of Vantona Viyella, has completed the conditional contract for the sale of its 50 per cent interest in Guildford Kapwood and the arrangements for sale of the secured loan notes in the company.

* * *

S. W. Farmer, through its subsidiary, Silwood Hire, has acquired the Uxbridge, Middlesex, crane hire depot of Cox Plant Hire London. The consideration was £550,000 payable in cash.

The depot operates 22 lorry-mounted cranes throughout London and the Home Counties. Silwood carries out a similar operation from its depot in Greenwich, London.

* * *

Mr Philip Monjack, senior partner of Leonard Curtis and Co, chartered accountants and Receiver of Janet Reger, world famous for romantic lingerie, has sold the Janet Reger trade mark and name to Berlei—leader in co-ordinated ladies' fashion underwear.

Mr Bryn Harries, chief executive of Berlei said: "We intend to invest a substantial amount of time and money in the development of the Janet Reger trade mark and I intend to discuss the future with Janet at the earliest opportunity.

"Current sales of our Janet Reger range through leading retail outlets confirms an exciting potential for the future both here and in America. We intend to spend not less than £250,000 in promoting the Janet Reger range in the next six months."

* * *

Bahama Cruise Line, part of the Common Brothers shipping group, has obtained the cruise liner Veendam on long-term bareboat charter from C. Y. Tung, the Hong Kong shipowner.

Bahama Cruise, which was bought by Common in 1980, will use the liner on its New York to Bermuda operation from next May.

The liner, which was originally operated by Holland America Line, will probably be renamed Bermuda Star. It can carry 750 passengers and has a gross weight of 24,000 tonnes.

The charter, initially for a three-year period, effectively doubles Bahama Cruise's capacity. It already owns and operates the Veracruz between Tampa and Yucatan in Mexico in the winter, and between New York and the St Lawrence ports in the summer.

* * *

Cutting tools and workshop supplies distributor Rock has agreed with the receivers of Hewitt Brannan (Tools) Company to buy the leasehold of Hewbran House in Manchester, the stock in trade, furniture and equipment in the building, and the goodwill and name of the business.

The consideration, payable in cash, is £120,000 for the property, 22.5 per cent of the historic cost of the stock in trade to a mixmum of £18,000 and £6,000 for the furniture, equipment, goodwill and name.

* * *

Mrs Mary Bessie Gawthorpe, who recently purchased 84,290 shares in Hunslet Holdings, is not a director of that company.

* * *

Gasco Investments of Hong Kong now holds 100,000 ordinary shares (equivalent to 1.77 per cent of the issued capital) in Milbury.

Gasco holds all the issued capital of Saint Piran, which is the beneficial owner of 4,994,227 Milbury ordinary shares (88.31 per cent).

* * *

Receivers have been appointed to Harrison and Marshall (Pressings), Birmingham-based presswork company.

* * *

W. Canning, the chemicals, metals and electronics group, has sold its premises in Aylesbury and Telford. These together with disposals announced earlier in the year bring the total group asset sales in 1983 to £2m.

Tate & Lyle's offer to acquire all the shares of Alcantara held by shareholders not resident in Portugal has been extended until 3.00 pm on November 15.

By yesterday, acceptances had been received in respect of 1,720,808 ordinary and 159,925 preference, representing 17.6 per cent of the total share capital.

Tate & Lyle did not own any shares in Alcantara prior to its offer.

* * *

The acquisition by Acco World Corporation of Twinlock is not to be referred to the Monopolies and Mergers Commission.

Acco's offers are now wholly unconditional. On September 29 ,it held 7.27m shares (34 per cent) and a further 4m (18.7 per cent) were purchased during the offer period.

Acceptances now amount to 19.87m shares (89 per cent after taking into account the issue of shares in respect of outstanding options). Offers will remain open for acceptance until further notice.

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	9 %
Allied Irish Bank	9 %
Amro Bank	9 %
Henry Ansbacher	9 %
Arbuthnot Latham	9 %
Armco Trust Ltd.	9 %
Associates Cap. Corp.	9½%
Banco de Bilbao	9 %
Bank Hapoalim BM	9 %
BCCI	9 %
Bank of Ireland	9 %
Bank Leumi (UK) plc	9 %
Bank of Cyprus	9 %
Bank of Scotland	Ω9 %
Banque Belge Ltd.	9 %
Banque du Rhone	10 %
Barclays Bank	9 %
Beneficial Trust Ltd.	10 %
Bremar Holdings Ltd.	9 %
Brit. Bank of Mid. East	9 %
■ Brown Shipley	9½%
CL Bank Nederland	9 %
Canada Perm't Trust	10 %
Castle Court Trust Ltd.	9½%
Cayzer Ltd.	9 %
Cedar Holdings	9 %
■ Charterhouse Japhet	9 %
Choulartons	10½%
Citibank Savings	¶10½%
Clydesdale Bank	9 %
C. E. Coates	9½%
Comm. Bk. of N. East	9 %
Consolidated Credits	9 %
Co-operative Bank	* 9 %
The Cyprus Popular Bk.	9 %
Dunbar & Co. Ltd.	9 %
Duncan Lawrie	9 %
E. T. Trust	9½%
Exeter Trust Ltd.	10 %
First Nat. Fin. Corp.	11 %
First Nat. Secs. Ltd.	10½%
Robert Fraser	10 %
Grindlays Bank	‡ 9 %
■ Guinness Mahon	9 %
■ Hambros Bank	9 %
Heritable & Gen. Trust	9 %
■ Hill Samuel	§ 9 %
C. Hoare & Co.	† 9 %
Hongkong & Shanghai	9 %
Kingsnorth Trust Ltd.	10 %
Knowsley & Co. Ltd.	9½%
Lloyds Bank	9 %
Mallinhall Limited	9 %
Edward Manson & Co.	10 %
Meghraj and Sons Ltd.	9 %
Midland Bank	9 %
■ Morgan Grenfell	9 %
National Bk. of Kuwait	9 %
National Girobank	9 %
National Westminster	9 %
Norwich Gen. Tst.	9 %
R. Raphael & Sons	9 %
P. S. Refson & Co.	9 %
Roxburghe Guarantee	9½%
Royal Trust Co. Canada	9 %
Standard Chartered	‖ 9 %
Trade Dev. Bank	9 %
TCB	9 %
Trustee Savings Bank	9 %
United Bank of Kuwait	9 %
United Mizrahi Bank	9 %
Volkskas Intnl. Ltd.	9 %
Westpac Banking Corp.	9 %
Whiteaway Laidlaw	9½%
Williams & Glyn's	9 %
Wintrust Secs. Ltd.	9 %
Yorkshire Bank	9 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Ω Money Market Cheque Account 8.80%. Effective annual rate 9.16%.

UK COMPANY NEWS

MINING NEWS

Better news from Manila

BY KENNETH MARSTON, MINING EDITOR

FORTUNES have improved this year for two of the leading mining companies in the Philippines, **Atlas Consolidated Mining and Development**, the biggest copper producer there, and **Benguet Corporation** the major producer of primary gold.

Leo Gonzaga reports from Manila that for the first nine months of this year Atlas has earned a net Pesos 98.3m (£4.8m) despite a softening in metal prices during the latter part of the third quarter. For the first nine months of 1982 there was a net loss of Pesos 316.1m.

Atlas owns and operates a copper property in Toledo on Cebu Island, Central Philippines, and gold property at Aroroy on Masbate Island.

Benguet has lifted net income for the first nine months of 1983 to Pesos 191.9m from Pesos 78.7m in the same period of last year.

The effects on income of the decline in the gold price during the third quarter were more than offset by the devaluation of the Peso in June.

Benguet owns a gold mine in Acupan, Benguet province, and operates under contract a copper property in San Marcelino and a chrome mine in Masinloc, both in the Zambales province. It also has a snare in **Engineering Equipment**, a construction business.

Terramar gets Arizona gold assay results

THE Vancouver-registered **Terramar Resource Corporation** reports that initial drilling results from its Waters-Sunset and Blue Chip properties in Arizona have indicated 100,000 tons of mineralisation with an average assay value of 0.1 oz (3g) gold over a 4 foot mining width.

Generally modest drill values at Waters-Sunset range up to 0.291 oz (9g) gold over a width of 4 foot. It is considered that the properties have "good potential"

This is a separate venture from the company's Reid Mine prospect in Shasta County, California. Earlier this year the share market was excited by one drill value at this high grade prospect which ran as rich as 24 oz gold over a three-feet section.

The second phase drilling programme of 21 holes is under way to establish proven reserves in an easily accessible section of the Spanish Vein. Mr Claydon Stokes, president of Terramar, believes that the Reid mine will soon progress to the point at which project finance will become available.

He says that funds raised by an offering earlier this year of shares and warrants together with the subsequent exercise of the latter have made it possible to complete the company's scheduled ... exploration ... programmes in the U.S., Canada and Mexico.

Gold and silver put Placer back in profit

CANADA'S **Placer Development** has enjoyed a good recovery for this year thanks to its gold and silver interests. Earnings for the first nine months of C$11.7m (£6.4m), or 29 cents per share, compare with a loss of C$20.2m in the same period of 1982.

Mr C. Allen Born, the president, says that the improvement reflects a better performance at the 70 per cent-owned Equity Silver Mines and the earnings of the new wholly-owned Golden Sunlight open-cast gold mine in Montana. Both enjoyed higher precious metal prices.

The 34 per cent-owned Real de Angeles silver mine in Mexico is operating profitably and making all scheduled repayments on its bank loans. Investment income has risen but a dark area is the weak demand and prices for the company's molybdenum.

Placer, a Noranda affiliate, reduced its long-term debt by C$27m in October. The total now stands at C$117m compared with C$321m at the end of 1982.

Decision nears on a start-up at Pine Creek

THE **Consolidated Gold Fields** group's Australian arm, **Renison Goldfields Consolidated**, has now effectively earned a 49 per cent interest in the Pine Creek gold joint venture with **Enterprise Gold Mines**.

A feasibility study of the Pine Creek prospect, south-east of Darwin in Australia's northern territory, is expected to be completed in March-April of next year. A decision will then be made on whether to go ahead with a mining operation.

Pine Creek holds the promise of a reasonable open-pit gold operation together with a possibly bigger underground mine.

Ore reserves were recently estimated at a probable 1.5m tonnes of oxidised material grading 2.1g gold per tonne, plus 3.8m tonnes of primary ore grading 3.6g.

Possible ore was put at a further 0.6m tonnes of oxidised material going 1.6g. These estimates did not include any potential reserves to the south-east of the mine area.

INTERNATIONAL ROUND UP

The **Rio Tinto-Zinc** group's 39 per cent-owned **Palabora** copper producer in South Africa is reducing its third quarterly dividend to 12.5 cents (7.2p) from 17.5 cents a year ago. The total of the first three payments for this year comes out at 32.5 cents against 37.5 cents in the same period of 1982 when a final of 22.5 cents followed.

In August Palabora warned that results for the second half of the year would not match those for the first six months, which showed a rise of 24 per cent, unless copper prices improved. In the event there has been a marked decline in the metal price.

* * *

The Eastern tin-producing **Gopeng Consolidated** reports an estimated group profit for the year to September 30 of £3.26m compared with £3.36m for the previous 12 months. A first interim dividend of 4p was paid in July.

No further dividends are to be paid before completion of the scheme whereby the company is to transfer its tax residence from the UK to Malaysia

* * *

Australia's **International Mining Corporation** reports that following the raising of A$350,000 (£214,700), via the recent placing of 1m shares at 35 cents each, plans are well advanced to drill its first exploration well by end-December on the company's hydrocarbon prospect.

Humberside Electronic calling for £517,000

By Dominic Lawson

Humberside Electronic Controls, a USM company, is calling on shareholders for almost £517,000 by way of a one-for-three rights issue of 4,306,666 10p shares at 12p per share. At the same time the company forecasts pre-tax profits of not less than £72,000 for the year to May 31 1984.

A month ago HEC announced a loss of over £155,000 in the year to May 1983 and no dividend was proposed. The rights issue has not been accompanied by a dividend forecast.

Giving reasons for the cash call, which will raise £486,000 net of expenses, HEC's chairman, Mr Peter McMaster pointed out that the company had a bank overdraft of £681,874, and also a loan from Mr McMaster himself of £383,955. The whole of the proceeds will be applied to reduce the bank overdraft. The chairman added that the additional permanent equity capital would facilitate the future expansion of the company.

Company directors hold 5,502,000 shares (42.6 per cent of the existing share capital). This entitles them to 1,834,000 new ordinary shares, but they intend to take up only 1m of the new shares.

The last date for acceptance and payment in full is November 30.

The issue has been underwritten by Cleves Investments. Brokers to the issue are Le Mare, Martin & Co. Smith, Keen Cutler, who brought HEC to the USM in October 1981, resigned as brokers to the company a month ago.

The shares closed yesterday unchanged at 14p.

Slingsby ahead

Almost as much profit was earned by **H. C. Slingsby** in the first half of 1983 as in the whole of last year. The pre-tax result for the opening six months was £60,591 against £46,702 for the comparable period, and £65,165 for 1982.

While the figures are encouraging, the directors say that results will continue to be sensitive to changes in the economy.

The company is engaged in the manufacture of hand trucks, trolleys, trailers, barrows and ladders, and has close company status.

There was again no tax for the first six months giving earnings per share of 6.1p (4.7p). The interim dividend has been maintained at 0.6p. Last year's final payment was 1.8p.

Feedex shows six month recovery

ON TURNOVER showing a rise of 4 per cent to £18.29m in the first half of 1983, Feedex Agricultural Industries has pushed up its profit before tax by 38 per cent, a recovery from £170,000 to £235,000.

Mr Derek Sawyer, chairman, says that had it not been for "a complete lack of profitability" on pig production and non-recurring costs of withdrawing from some of the energy division projects, the results would have been "considerably better."

With a substantial turnround in the engineering division, "we can now look with some confidence to a more acceptable level of overall performance," the chairman states.

In the feed division the policy of selling "a quality product" has helped to achieve a further increase in market share despite intense competition. Turnover at £9.1m rose by 11 per cent, while trading profit advanced 21 per cent, reflecting increases in both volume and margins resulting mainly from continued investment in more efficient milling processes.

The engineering division turned round from a loss of £146,000 to a profit of £103,000. Turnover was up by more than a half to £3.42m, the increase all contributed by Rowlands in the grain store sector.

Overproduction and a high level of EEC subsidy on lamb has resulted in the worst slump in pig prices for many years. The livestock division incurred a small loss of £16,000 (profit £83,000). There are signs of an uplift in prices, says Mr Sawyer, but more expensive raw materials preclude an early return to satisfactory profit levels and it may well be some months before there is a material change.

In the agricultural services division, continued progress by Holderness Fuel Supplies and Beverley Agricultural Analysts has been masked by a poor performance on grain trading, leaving a net contribution of £14,000 (£23,000). The major part of the budgeted profit falls into the second half.

The withdrawal from a number of energy projects resulted in closure costs which are reflected in the energy division loss of £122,000 (nil). There is also an extraordinary debit of £56,000 on the cessation of the Dual-Fuel operations.

The Biogas plant, involving the Fiat subsidiary SES and EAZ of Switzerland, has been commissioned and has exceeded, both in terms of gas quality and production targets, the performance criteria on which the project was established. This has underwritten the group's belief that this important development should be continued.

"With the withdrawal from those activities almost complete, the directors are now concentrating efforts on increasing the profitability of the major divisions," says Mr Sawyer.

After tax £84,000 (£35,000), minorities £4,000 (£8,000) and extraordinary charge £56,000 (nil), the net attributable profit for the half year came out at £119,000 (£127,000). Earnings are 1.26p (0.96p) and the interim dividend is held at 0.5p net. For the year 1982 profit before tax was £355,000 and the dividend total 1.15p.

Jessups at £0.9m with all round progress

A FURTHER advance was made by Jessups in the second half and resulted in a full year taxable surplus of £901,000 against £248,000.

An increase in Vauxhall sales again contributed to the improvement. Also, Ford main dealerships performed well and leasing increased its profit.

Turnover for the 12 months to August 31 1983 was £45.14m compared with £36.01m and the operating profit was up at £1.68m against £1.04m. Interest payable was slightly lower at £782,000 (£792,000).

Following the return to the black with £508,000 in the second six months last year the company made £220,000 and £681,000, respectively, in the first and second halves this time.

The directors, with optimism, look forward to 1984 as a year of further improved performance.

Shareholders are set to receive a final distribution of 2p (same) per 25p share, making a net total of 3p (2p) for the year. The directors are proposing a one-for-one scrip issue.

There was a tax charge this year of £185,000 (credit £71,000) and below the line extraordinary debits, being closure costs, took £59,000 (£2,000). Earnings per share are given as 17.17p against 7.65p.

On a CCA basis taxable profits for the year were £829,000 (£131,000).

Lon. Entertainments

For the year to August 31 1983 London Entertainments, which has interests in theatre production and management, improved its pre-tax profits from £193,038 to £220,481 and is lifting the dividend distribution from 1.795p to 1.92p net.

Tax for the period took £68,934 (£47,585), leaving earnings per 20p share ahead from 3.96p to 4.15p.

The directors of this close company, report that since the balance sheet date the residue of the lease of the Palace Theatre has been sold for £200,000. Of this London Entertainments' share is £100,000.

Fidelity sharply higher midway

PRE-TAX profits of Fidelity, manufacturer of televisions, stereo units, record players and tape recorders, jumped from £218,000 to £766,000 in the six months to September 30 1983, and the directors say they anticipate being able to report good progress at the year end.

At the time of last July's rights issue they forecast profits for 1983/84 of not less than £2.2m (£80,000).

As predicted the interim dividend is 1p net (nil). The projected total for the year is not less than 3p. Last year a single payment of 0.1p was made.

In the opening period turnover advanced from £14.08m to £16.6m and the directors say order books for all products are very strong.

Tax for the first half took £185,000 (nil) giving earnings per 10p share of 6.1p (2.5p adjusted).

The directors state that the increase in sales covered all products and particularly the expanded range of colour televisions which now represents the company's largest single product category.

The company started production of cordless telephones in the summer and demand for these products has been particularly strong. The bulk of planned production will, however, take place in the second half.

Manufacture of cordless telephones under the first contract with British Telecom will be completed next month and will be followed immediately by the second contract which is expected to run into the next financial year.

Bradford Property tops £4.2m at halfway

Pre-tax profits of the Bradford Property Trust rose from £3.81m to £4.21m for the six months to October 5, 1983 and the net interim dividend is stepped up by 0.5p to 2.8p per 25p share. Last year, a total of 5.5p was paid on £7.9m profits.

Rental income, excluding rates, increased from £2.3m to £2.66m for the half year. Dealing companies, sales were higher at £4.58m (£4.14m), while the surplus from property rentals advanced from £1.4m to £1.67m.

Miscellaneous income added £231,000 (£199,000), profits from property sales £2.3m (£2.22m) and there was a share of associates profits of £9,000 (£14,000 losses). Tax charge increased from £1.98m to £2.18m.

The surplus from property sales, after tax, represented 3.08p (2.51p) per share and earnings per share rose from 7.41p to 8.35p.

Net asset value per share, given in the last annual report and adjusted for the reduced capital and profits retained during the half year, was 356p.

Arlington Secs.

Arlington Securities has completed a private placing of new and existing shares which, together with associated subscriptions in new shares, has raised approximately £2.9m after expenses and indicates a value for the company in excess of £13.5m.

The proceeds of the placing and subscriptions will substantially enhance the group's capital base and will provide additional working capital for its expanding development programme.

Interest takes heavy toll on 'W' Ribbons

After interest payable of £581,000 against £616,000, pre-tax profits of "W" Ribbons Holdings, manufacturer of nylon and polyester webbing, rose from £18,000 to £24,000 in the year to June 30 1983.

Turnover amounted to £15.26m (£13.52m) and operating profits were £605,000 (£634,000).

There was a tax charge of £36,000 (£15,000 credit), leaving a net loss of £12,000 (£33,000 profit). Last time extraordinary credits totalled £203,000.

The loss per 10p share is stated at 1.66p (0.02p) and there is again no dividend. At the year end net borrowings stood at £2.2m (£3.82m).

The directors report that results for the first four months of the current year show an improvement over those for the corresponding period.

They say that higher sales in the 12 months under review reflected increased market share, with newer products of the group making healthy gains despite fierce price competition.

Another 127 companies wound up

COMPULSORY winding up orders against 127 companies have been made by Mr Justice Nourse in the High Court. They were—

J. and E. Kelly, Cyclebond, World of Video 2000, Parsons Bros. (Carpets), Sydney Quinn Associates, Olivefield, Woodrow Wyatt Holdings plc.

Willowlake, Top Pad, Vale Office Equipment, Coen Dealings, Ekral (Knightsbridge).

Ekral (City), A.T.L.I. Viaggi, S. C. Baker Plant Hire, A-One International.

House Martin, Lekfred, Peter The Baker, Carbrook Timber Co., Edward Baron Development Company, Ernald Madeley Estates.

Columbia Fashion, Samadi (Foods), Scillmoran Securities, Grasham Wells, J.H.L. Davis (Arundel), P.B.C. Motor Holdings, Patrick J. Coleman and Co.

Southern Pump Services, Thal Investments, Final Solution, H. and F. Cousins, Tower Industrial Services, S. and T. Motors (Gorseinon).

Barry T.V. and Audio Repair Centre, Alexandra Reclamations, H. C. Holifield and Co., Payne Motor Spares, Onyxkarn, Mannerdell.

Farthingstone Silos, J. and R. Giles Mechanical Services, Humac Computer Services, Spodehurst, Amandale, Braymead.

P.H.B. Transport, Capital Bookmakers (Sports), Whittington Brass, C-Tronic Marine Instruments, Kernglen, A.S.I.

Freshwater Services, Pridefield, Rallye Hairstylists, J. F. Adlington and Sons, Total Solutions, Inter-Galactic Enterprises, Gem Systems.

Clapton (Beers, Wines and Minerals), J. C. Wines and Spirits, Rayners House Furnishers, Fletchers Industrial Cleaning, Victor Herbert, Intrusion Microwave Electronics.

G. and B. Graphics, Marathon Transit Services, R. and L. Chance, Tectonic (Electronics), Corsetracks Property Company, Gesa Trading Company.

Armada Supply and Refining Company, Trailwise, Stamford Glass Centre, North Devon Leather Company, Quick Bake, Bravemark, Bostock Reinforcement Company.

Goodies Galore (Sussex), Wavehome, Midlands Shotblasting (Scotland), Seager Engineering Company, Vembarglen, M. J. Hunter Flooring Contractors (UK).

Broadyard, Chalsey Properties, Godfrey Stuart, Kinnure House (Nursing Home), Bonham Park, Amanda Films.

G.T. Builders, Thorn Tree Properties, Parnham Security, Status Cars (Earlsheaton), Cavendish Clothiers.

Daven Staff Hire, G.L.B. (Haulage), Automated Instrument Development (Northern), Berkswell Machine Tools, James Neil Engineering Company, Kay Scaffolds, Mapos Display.

Nimrod Electronics, Central G.C.E. Tutorials, Egyptian Agricultural Company, Euroestates, Clanfold, Rickmansworth Plastic Moulders, Baskin and Griver.

Weslake and Co., Jaygor, Shrillport, Longbenton and District Labour Club and Institute, Nor M.A.N. VW Trucks, Limecrest Heating.

Oxley Press (Bournemouth), Deltafox, Auto Consultants (UK), M.K.P. Caravans, Eros Travel (International).

Comet Welding Engineers, Winelines, Cruiselight, Sir Anthony Evans, C. and H. Rentals, Ilford Insurance Agency.

A compulsory winding-up order made on October 10 against Zoneplan was rescinded and the petition dismissed by consent.

McInerney little changed at I£1.3m in first half

ON TURNOVER up from I£23.56m to I£26.86m, McInerney Properties, Dublin-based construction and civil engineering company, reports pre-tax profits up from £1.3m to £1.31m in the first six months of 1983. McInerney's profits for 1982 were £3.31m from turnover of £60m.

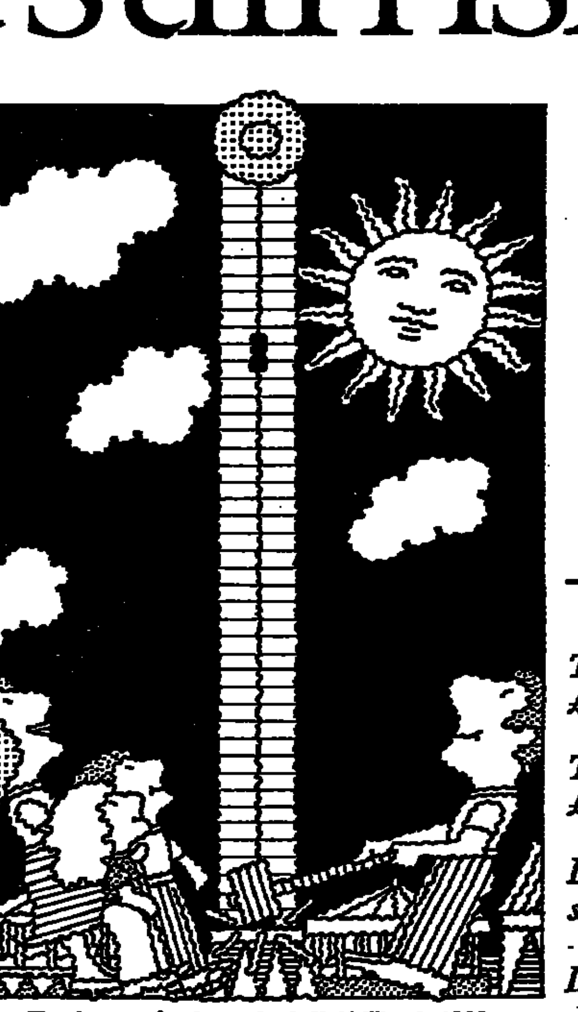
This Irish public company is extensively involved in the UK and Middle East.

The interim dividend will be 1p.

Mr Ambrose McInerney, the chairman, says: "The recession in the Irish economy is having its effect on our business. In the UK we have significantly increased our involvement in the private housing market, while maintaining steady activity in the joint venture area.

"Competition in the Middle East has greatly increased, but all four areas of activity continue to contribute to group profits at a satisfactory level."

Continuing its policy of geographical spread, with moves into the U.S. and Portuguese markets, McInerney's expects at least to maintain in 1983 last year's profit level.



FINANCIAL TIMES

Thursday November 10 1983

EEC strategy for mining under scrutiny, Page 40

WALL STREET

Fears over the auctions are allayed

A SMART rebound on Wall Street yesterday from its recent weakness was aided by a steadier tone on the bond markets which returned to work after Tuesday's election day break, *writes Terry Byland in New York.*

The success of the first leg of the Treasury's quarterly funding programme allayed some of the nervousness on the trading floor.

The stock market was slow to make a start but bargain-hunting among the leading stocks began to push prices ahead. The Dow Jones industrial average closed up 17.58 at 1232.52.

Interest centred on market leaders, however, and the advance was slow to spread. On the Nasdaq market, where the wide range of smaller technology stocks are traded, losses remained well in the majority.

Bond market investors were cautious. The outcome of the second auction in the Treasury's programme, for $5.25bn in 10-year notes, was due late in the session and today will bring the third auction, for $4.25bn in 10-year bonds.

Since the bond market will be closed again tomorrow for Veterans' Day, it will be next week before it can show its measured response to the full impact of the Treasury funding programme.

Buyers in the stock market concentrated on leading issues which have suffered most in the recent shake-out. Motor issues attracted attention, with General Motors at $75¼ recouping $⅝ of the recent loss.

Chrysler added $ 1⅛ to $28¼ as the return to work proceeded following the settlement of the strike at its Ohio production plants. Ford was $1⅜ ahead at $64¾.

Other leading stocks to reverse recent downward trends included Monsanto, $1 up at $103½; Burlington Northern $2¼ ahead at $102⅞; and Honeywell, $1⅝ higher at $125. IBM gained $⅝ to $122⅞.

Lockheed, the defence and aerospace group with a stock price which has been erratic for some time, lost a further $1⅛ to $39½ as the board addressed market analysts on the profits outlook.

General Electric, a further $1⅛ up at $54, continued to find buyers and there were small gains for Minnesota Mining at $84⅛, International Harvester at $13 and Union Carbide at $63⅞.

ITT put on $⅝ to $42⅜ after disclosing an upturn in operating profits in the third quarter.

In pharmaceuticals Merck, which is a constituent of the Dow, recouped $⅝ of its recent loss to reach $97¼.

Major retailers, due to report third quarter progress shortly, turned higher. Sears, which is spending $1.7bn over the next five years on store building and refurbishment, added $⅝ to $39¾. J.C. Penney jumped $1⅛ to $39½ while Toys R Us at $38⅝ and Dayton Hudson at $37 were higher.

The flow of corporate earnings reports was much reduced although Cincinnati Milacron, the toolmaker, edged up $⅛ to $28⅝ on news of a reduced loss.

Bond markets lay becalmed with the Federal funds rate steady at 9¼ per cent and retail investors unwilling to enter the market ahead of completion of the Treasury funding programme. Reverse repurchase arrangements from the Federal Reserve, with funds at 9¼, were seen as a purely technical move to drain excess liquidity during the banks' weekly settlement day operations.

Discounts on Treasury bills added several basis points, bringing the three-month bill to 8.77 per cent and the six-month to 8.95 per cent. The 2013 long bond fluctuated around 101, showing a yield of 11.86 per cent.

LONDON

Inflation outlook boosts gilts

AN ENCOURAGING outlook for inflation in the UK left London gilt-edged investors committing funds to both short and longer maturities.

To meet demand, supplies of the partly-paid short tap stock, Treasury 9¾ per cent Convertible 1988, were sold at 60¼ before the stock was exhausted. Longer-dated funds were higher with gains of up to a half-point among high-coupon maturities.

In the equity market, Plessey added 11p to 220p following settlement of its trade secret and copyright lawsuit in the U.S. The electronics group's advance accounted for 1.3 of a closing gain of 1.7 in the FT industrial ordinary share index, which ended at 721.8.

In the insurance sector, disappointment with third quarter figures left Commercial Union down 2p at 174p and General Accident 12p cheaper at 420p.

Details, Page 37; Share information service, Pages 38–39.

AUSTRALIA

INDUSTRIALS moved to the forefront of a Sydney advance, consolidating the hold of the all ordinaries index above the 700 mark with a 5.6 rise to 705.9.

A better outlook on inflation and interest rates was identified as the spur, with local trust funds said still to be keen to augment portfolios. Carlton and United Breweries rose 13 cents to A$2.88 and News Corporation 20 cents to A$9.

Mining issues were restrained by lower base metal prices, particularly for copper, but many firmed despite this.

HONG KONG

SLUGGISH Hong Kong trading left leaders weaker but below their lows for the half-day session, taking the Hang Seng index down near 860 where it found technical support and finished 6.29 off at 866.76.

Hongkong Wharf was one to manage a 5 cent gain at HK$3.70, but Hongkong and Shanghai Bank and Cheung Kong each shed 10 cents to an identical HK$7.20. Hongkong Land dipped 5 cents to HK$2.82.

SINGAPORE

LIGHT selling continued in Singapore but began to be countered by a tentative hunt for bargains, and by the close rises outnumbered falls two to one – a healthier showing than that reflected in the Straits Times industrial index, which edged up just 0.37 to 921.45.

Political friction in Malaysia between the Prime Minister and the sultans remained a depressant, but Malayan Cement recovered 15 cents of Tuesday's 25 cent slide to end at S$8.55.

Cerebos was again volume leader, with foreign institutional support reported, but held at S$2.05.

SOUTH AFRICA

A VERY firm tone emerged among gold shares in Johannesburg as the bullion price held above $380 an ounce. Most other mining and financial sectors benefited from the trend.

In equally firm industrials, South African Breweries rose 10 cents to R7.15 after interim results while Blue Circle (SA) added 50 cents to R7.50 on rumours in London, later denied, that its parent, Blue Circle, planned selling its 55 per cent stake.

CANADA

AN EARLY rally in **Toronto**, which drew its inspiration from Wall Street's performance, left shares broadly higher. The advances were paced by the strength of the gold, transport and oils sectors.

The same firmer trend was also recorded in **Montreal**.

TOKYO

Smattering of support amid selling

LOW SPIRITS among investors towards the end of the session drove share prices down in Tokyo yesterday, with the Nikkei-Dow market average slipping below the 9,300 level for the first time in 11 sessions, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow barometer ended 22.16 lower at 9,297.10, on volume of 222.63m shares, up from the previous day's 195.10m. Declines outnumbered advances 362 to 299, with 192 issues unchanged.

Investors remained discouraged by rising international military tension, uncertain U.S. interest rate prospects and growing speculation that Japan's ruling Liberal-Democratic Party may suffer a setback if the House of Representatives is dissolved for a general election towards the end of the year.

Some small-capital cash stocks climbed on speculative buying. Although blue chip issues drew small-lot buy orders from foreigners, they failed to become any more strongly in demand.

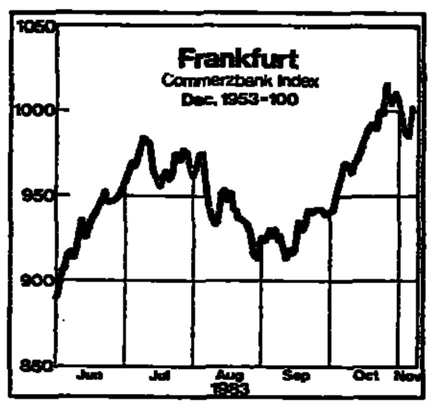
Fuji Photo Film rose Y10 to Y2,010 and Canon Y10 to Y1,330 while NEC lost Y30 to Y1,310, TDK Y50 to Y4,720 and Honda Motor Y10 to Y1,000.

On the sunny side were cash issues. Enshu was conspicuous with a gain of Y46 to Y260 and Akebono Brake Industry leaped Y48 to Y460. Both issues had been neglected recently.

Sanko Steamship, which hit the year's high in May, shed Y9 to Y209 with the approach of the settlements date for margin buying dating from that time. Nippon Kokan weakened Y2 to Y149 on reports that the steelmaker might intend to cut its annual dividend for the business year ending next March by Y1 down to Y4 per share.

Bond trading also remained lacklustre in the absence of new incentives. The market, encouraged by the yen's rally against the U.S. dollar on overseas foreign exchange markets, opened firmer, but the upward trend tapered off because of the weak undercurrent of the yen on the Tokyo foreign exchange market.

On the over-the-counter bond market, four regional banks issued sell orders in lots of some Y1bn each to raise funds, while two trust banks and institutions related to agriculture and forestry bought bonds in amounts of Y2bn to Y3bn each.



EUROPE

High-flying Frankfurt clears cloud

WEST GERMANY was just about the only place to be yesterday as **Frankfurt** stocks continued powerfully upward after a week of turbulence brought on by isolated outbreaks of corporate distress. The rest of the European bourses could barely muster the thrust needed to maintain present altitudes.

A storm-cloud remained in the form of a suspension of trading in Wibau, the construction equipment concern affiliated to the failed IBH. Its management spent the day in the courts and emerged after the close having joined IBH in filing for protection from creditors.

Market operators would not have had too much difficulty in deducing what the Wibau visit to Gelnhausen was about, however, and the view prevailed that – for the moment at least – the fuel for a further advance was adequate anyway.

Foreign buying played a large part in piloting the Commerzbank index above the 1,000 level, which it had attained last month before the SMH Bank failure demanded an immediate descent a week ago. The index put on 6.8 to 1,003.4.

Engineer GHH jumped DM 7.90 to DM 136 as a reshape got under way and its subsidiary truck maker MAN moved a parallel DM 8 to DM 135.

The country's still-growing car makers were prominent, BMW up DM 5 to DM 416, Daimler Benz DM 7 to DM 674 and VW DM 5.90 to DM 222.90.

Insurer Allianz soared DM 21 more to DM 820 amid its UK bid battle.

Public sector bonds were neglected but generally firmer, and the Bundesbank sold DM 21.2m in paper.

Paris too showed lively business in stocks but relatively muted price advances. Peugeot put on FFr 8.50 to FFr 196 and Moulinex FFr 5.90 to FFr 99.90 although profit-taking set l'Oreal FFr 18 back at FFr 1,960.

Even the troubled Creusot-Loire recovered FFr 2 to FFr 48.2 and Schneider FFr 4 to FFr 90. Bonds held up under a firm call money rate.

Airline KLM was the notable feature of an otherwise listless **Amsterdam**. It climbed Fl 2.20 to Fl 166.40 as news filtered through of a London broker's opinion that the market had not yet taken on board structural improvements, lower fuel costs and better load factor.

Elsewhere Océ-Van der Grinten shed Fl 2.50 to Fl 194 and Ned Mid Fl 4.50 to Fl 135.50. Better bond market turnover came along with selected public sector rises of 40 basis points.

The week's **Brussels** rise tapered off, with a mixed pattern illustrated by steelmakers Cockerill Sambre, off BFr 6 at BFr 163, and Arbed, BFr 18 up at BFr 1,210 as each contemplated the future of state assistance.

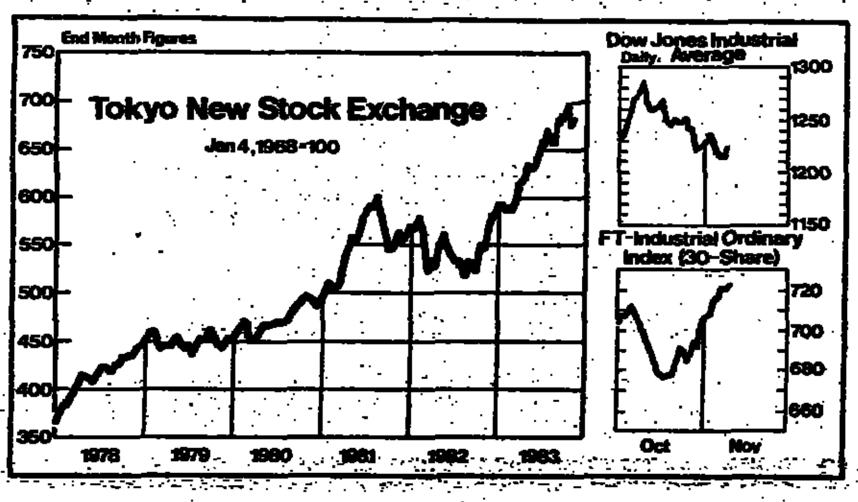
A thin and featureless **Zurich** showed profit-taking among chemcials which took Sandoz SwFr 100 down at SwFr 7,175, while Swiss Re dipped SwFr 50 to SwFr 7,300 as it forecast an unchanged dividend. Bonds were weighed down by a high volume of new paper.

Activity in **Milan** came almost to a standstill, leaving prices irregularly divergent. Centrale, reporting a narrowed deficit after complex asset adjustments, eased just one lira to L1,335.

Moderately stronger **Stockholm** found foreign interest in Pharmacia, up SKr 12 to SKr 365 while **Copenhagen** selling abated.

Madrid was closed for a public holiday.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Nov 9	Previous	Year ago
DJ Industrials	1232.52	1214.94	1060.25
DJ Transport	590.15	585.86	450.91
DJ Utilities	137.04	136.61	121.88
S&P Composite	163.02*	161.76	144.03
LONDON			
FT Ind Ord	721.8	720.1	634.5
FT-A All-share	448.12	447.43	389.0
FT-A 500	485.62	484.91	435.1
FT-A Ind	441.46	440.51	404.97
FT Gold mines	513.1	492.2	381.4
FT Govt secs	82.26	82.09	85.41
TOKYO			
Nikkei-Dow	9297.1	9319.26	7576.4
Tokyo SE	682.64	682.97	557.53
AUSTRALIA			
All Ord.	705.9	700.3	514.9
Metals & Mins.	527.9	524.4	423.6
AUSTRIA			
Credit Aktien	54.34	54.25	47.77
BELGIUM			
Belgian SE	126.44	126.5	99.35
CANADA			
Toronto Composite	2428.30*	2411.30	1880.60
Montreal Industrials	424.55*	421.30	333.78
Combined	410.50*	407.15	319.51
DENMARK			
Copenhagen SE	189.98	189.51	91.6
FRANCE			
CAC Gen	140.8	140.6	101.5
Ind. Tendance	149.8	149.0	120.6
WEST GERMANY			
FAZ-Aktien	337.28	335.1	231.91
Commerzbank	996.6	996.6	704.0
HONG KONG			
Hang Seng	866.76	873.05	843.77
ITALY			
Banca Comm.	184.41	184.78	161.71
NETHERLANDS			
ANP-CBS Gen	135.7	136.6	97.5
ANP-CBS Ind	109.3	109.8	74.3
NORWAY			
Oslo SE	195.56	191.62	104.44
SINGAPORE			
Straits Times	921.45	921.08	741.68
SOUTH AFRICA			
Golds	n/a	720.1	670.2
Industrials	n/a	887.0	674.0
SPAIN			
Madrid SE	closed	128.97	103.36
SWEDEN			
J & P	1398.56	1395.21	734.04
SWITZERLAND			
Swiss Bank Ind	353.4	352.1	265.9
WORLD	Nov 8	Prev	Yr ago
Capital Int'l	176.9	176.8	147.4

GOLD (per ounce)

	Nov 9	Prev
London	$383.375	$381.625
Frankfurt	$383.25	$382.25
Zürich	$383.50	$382.50
Paris (fixing)	$381.54	$381.75
Luxembourg (fixing)	$379.90	$382.80
New York (Nov)	$381.80	$381.30

* Indicates latest pre-close figure

CURRENCIES

(London)	U.S. DOLLAR Nov 9	U.S. DOLLAR Previous	STERLING Nov 9	STERLING Previous
$	–	–	1.485	1.4845
DM	2.67	2.677	3.9675	3.975
Yen	235.55	235.9	350.0	350.5
FFr	8.13	8.1375	12.07	12.075
SwFr	2.17	2.175	3.225	3.23
Guilder	2.993	3.0035	4.445	4.46
Lira	1617.5	1621.75	2402.0	2407.0
BFr	54.29	54.42	80.6	80.8
C$	1.23525	1.23625	1.8345	1.8345

INTEREST RATES

	Nov 9	Prev
Euro-currencies (three month offered rate)		
£	9⅝	9⅝
SwFr	4 1/16	4 3/16
DM	6 1/16	6 1/16
FFr	13¼	13¼
FT London Interbank fixing (offered rate)		
3-month U.S.$	10	10
6-month U.S.$	10⅛	10⅛
U.S. Fed Funds	9 5/16*	9
U.S. 3-month CDs	9.50*	9.55
U.S. 3-month T-bills	8.76*	8.75

U.S BONDS

Treasury	Nov 9 Price	Nov 9 Yield	Prev Price	Prev Yield
10½ 1985	99 21/32*	10.67*	99 19/32	10.71
11⅛ 1990	98 31/32*	11.71*	99	11.70
11⅞ 1993	100 11/32*	11.80*	100 10/32	11.81
12 2013	101 *	11.87*	100 26/32	11.89
Corporate				
AT & T				
10⅜ June 1990	92⅞*	11.95*	92⅞	11.95
3⅞ July 1990	67⅝*	10.85*	67⅝	10.85
8⅝ May 2000	75½*	12.25*	75½	12.25
Xerox				
10⅜ March 1993	91⅝*	12.15*	91⅝	12.15
Diamond Shamrock				
10⅜ May 1993	90*	12.45*	90	12.45
Federated Dept Stores				
10⅜ May 2013	85⅝*	12.45*	85⅝	12.45
Abbot Lab				
11.80 Feb 2013	94⅞*	12.45*	94⅞	12.45
Alcoa				
12⅛ Dec 2012	94⅝*	12.95*	94⅝	12.95

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	70–09	70–14	70–05	70–07
U.S. Treasury Bills (IMM) $1m points of 100%				
December	91.01	91.04	90.97	91.00
Certificates of Deposit (IMM) $1m points of 100%				
December	90.36	90.39	90.34	90.36
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.18	90.19	90.11	90.13
20-year Notional Gilt £50,000 32nds of 100%				
December	108–12	108–15	108–05	108–09

COMMODITIES

(London)	Nov. 9	Prev
Silver (spot fixing)	602.95p	609.20p
Copper (cash)	£918.50	£913.50
Coffee (Nov)	£1850.00	£1839.00
Oil (spot Arabian light)	$28.40	$28.45

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¾	8	AAR	.44	3.0	19	6	14½	14¼	14½	+¼
52⅛	29½	ACF	1.40	2.8	[illegible]	391	51	49¾	50⅛	+1¼
20	14¾	AMF	.50	2.9		227	17½	17¼	17½	+¼
38⅞	16⅞	AMR Cp			15	4409	35½	35	35¼	+¼
19⅞	15	AMR	pf2.18	11.		57	19¼	19	19¼	
38⅞	24⅞	AMR	pf2.13	5.7		310	37¾	37	37¼	−¼
15⅛	3⅝	APL			23	91	11¼	11⅛	11¼	
55	31¼	ARA	2.05	4.2	12	28	48¼	47⅞	48¼	+⅛
78⅞	49	ASA	3a	5.5		3428	54⅞	53⅞	54½	+1⅛
33¾	12⅞	AVX	s .32	1.3	38	122	25	24⅞	25	+⅜
53⅞	34½	AbtLab	1	2.0	18	2789	50¼	48⅞	49½	−⅛
30⅞	23⅞	AccoW	n.60	2.4	18	103	24⅞	24½	24⅞	+⅛
27½	16⅞	AcmeC	.40	1.8		138	22½	22	22⅛	−⅝
14⅞	7⅞	AcmeE	.32b	3.2	[illegible]	16	9⅞	9¾	9⅞	
24⅞	8¼	AdmDg	.04	.2	17	27	20⅞	20⅛	20⅞	+⅛
18	15	AdaEx	1.73e	9.9		98	17½	17⅛	17½	+⅛
19⅞	7⅛	AdmMl	.24	1.9	6	59	12⅞	12½	12⅞	
18⅞	8⅞	AdvSel	s .12	1.0	7	64	12	11⅝	11⅞	−⅛
34⅞	10⅞	AMD	s		50	3082	29⅞	27⅛	29½	+2⅛
24⅞	12⅞	Agnio	s		15	148	14¼	14	14⅛	+⅛
44⅞	32⅞	AetnLf	2.64	7.3	9	1817	36⅛	36	35⅞	+½
40½	22½	Ahmns	1.20	4.4	7	705	27½	27	27	−¼
7⅛	2⅞	Aileen				24	4	3⅞	3⅞	−⅛
51	31	AirPrd	1	2.3	12	854	42¾	42½	42⅞	−¼
27½	13⅞	AirbFrt	.60	2.2	22	165	27	26⅞	27	
2½	1½	AlMoa	s		20	281	2½	2¼	2¼	−¼
33½	28¼	AlaP	plA3.92	13.		10	31½	31¼	31¼	−½
7⅞	6½	AlaP	dpf.87	12.		27	7⅛	7	7	−⅛
74½	65	AlaP	pf 9	13.		z130	70	69	70	+3
71	58¼	AlaP	pf8.16	13.		z720	65	64	64	
70	67	AlaP	pf8.28	13.		z100	64½	64½	64½	+½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
26	15⅞	VanDrn	1.20	4.7	15	16	25⅞	24¾	25⅞	+⅛
9¾	5	Varco				258	7⅞	7½	7⅞	+¼
21	18¼	Varco	pf 2	10		11	19¾	19½	19½	-½
63⅞	27	Varian	s.26	.5	24	2026	52	50	51⅞	+1⅛
21¼	8⅞	Varo	.40	2.9	28	138	13⅝	13½	13⅝	+⅛
31¼	17⅞	Veeco	.32	1.6	20	132	20	19⅞	20	
16¾	4¼	Vendo				260	6	5¼	6	+⅞
11	9¼	VestSe	1.20	12		77	10⅛	10	10⅛	
40⅞	26¾	Viacom	.36	1.2	17	290	28⅞	27⅛	28⅜	+½

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 35

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CANADA

(Closing Prices) Stock	Nov 9	Vars.
AMCA Int.	22½	−½
Abitibi	22	+½
Agnico Eagle	15½	+½
Alberta Energy	19⅜	−
Alcan Alumin	45½	+⅜
Algoma Steel	27	+⅝
Asbestos	10½	+⅜
Bk Montreal	26	+⅛
Bk Nova Scotia	43⅛	+⅜
Bell Canada	30⅞	+⅛
Bombardier A	17	+⅛
Bow Valley	25⅜	+⅜
B.P. Canada	−	−
Brascan A	37⅞	+1⅜
Brinco	3.0	−0.2
B. C. Forest	11⅜	+⅛
CIL Inc	28½	−
Cadillac Fairv.	9	+⅛
Can Cement	-	−
Can NW Energy	25⅜	+1⅜
Can Packers	25⅜	-⅜
Can Trusco	45⅛	+⅝
Can Imp Bank	31⅜	−
Canadian Pacific	49⅝	+⅝
Can. P. Ent.	22⅜	+⅜
Can Tyre A	57½	−
Carling O'Kfe	23	+1⅜
Chieftain	17⅜	+⅛
Cominco	56¼	+½
Cons Bathst A	22½	−
Canada Resources	3.7	−0.1
Costain	9⅜	−
Denison Mines	44⅜	−⅛
Dofasco	57	+1¼
Dome Mines	15⅝	+⅜
Dome Petroleum	4.35	−
Dominion Strs.	18¼	−
Domtar	26⅛	−⅛
Falconbridge	69⅜	−⅜
Genstar	28	+⅛
Giant Y'knife	19⅛	−
Gt West Life	275	−
Gulf Canada	17¼	+⅛
Hawk Sid Can	18½	−
Hudson's Bay	23⅞	−⅛
Husky Oil	10½	+⅛
Imasco	32⅝	+1⅜
Imp Oil A	38⅝	+1⅛
Inco	16⅝	+⅜
Indal	11⅝	−⅛
Interpr Pipe	31⅝	+1
LAC Minerals	−	−
Macmill Bloedel	27	−
Marks & Spencer	13⅞	+⅛
Massey Ferg	6⅛	−⅛
McIntyre Mines	35⅛	−
Mitel	16	+⅛
Moore Corp	54⅜	+⅜
Nat. Sea Prods A	7½	−
Noranda Mines	24⅛	−⅛
Norcen Oil	26¼	+⅜
Nova Alberta	8⅝	+⅛
Nthn Telecom	49⅞	+⅞
Oakwood Pet	9⅜	−
Pancanadian Pet	25⅛	+½
Patino	30	−
Placer Dev	21⅞	+⅞
Power Corp Can	17½	+⅛
Quebec Sturgeon	6⅝	+⅛
Ranger Oil	13⅛	−
Reed Stenhse A	12⅜	−
Rio Algom	17¼	+⅜
Royal Bank	33	−
Royal Trustco A	27	−
Sceptre Res	5⅝	−
Seagram	46	+1¼
Simpson Sears A	−	−
Shell Can Oil	24	+¼
Stelco	28⅝	−⅛
Teck B	18⅝	+¼
Texaco (Canada)	38⅝	−
Thomson News A	37½	−⅝
Toronto Dom Bank	17¼	+⅛
Transalta A	29⅝	+⅜
Trans. Can. Pipe	28⅞	+⅛
Walker Hiram	28	+⅝
Westcoast Trans	15	−
Weston (Geo)	69⅜	+⅛

AUSTRIA

Nov. 9	Price Sch%	+ or −
Creditanstalt	212	+1
Goesser	318	−2
Interunfall	410	......
Landerbank	212	......
Perlmooser	314	−4
Steyr Daimler	166	+2
Veitscher Mag	196	−1

BELGIUM/LUXEMBOURG

Nov. 9	Price Frs.	+ or −
ARBED	1,210	+18
Banq Int A Lux	4,600	+50
Bekaert B	2,986	+25
Ciment BR	1,930	+10
Cockerill	163	−6
Delhaize	4,325	+15
EBES	2,310	......
Electrobel	6,340	......
Fabrique Nat	2,160	−5
GB Inno BM	2,905	......
GBL (Brux)	2,300	+10
Gevaert	3,475	+5
Hoboken	4,815	−35
Intercom	1,800	−20
Kredietbank	6,250	+50
Pan Hldgs	9,200	......
Petrofina	5,670	......
Royale Belge	6,900	......
Soc. Gen. Banq	2,815	+15
Soc. Gen. Belge	1,580	−85
Sofina	4,920	−80
Solvay	3,360	−5
Tractionel	3,150	−40
UCB	4,045	+60
Vieille Mont	3,145	+30

DENMARK

Nov. 9	Price Knr %	+ or −
Aarhus Olie	479	......
Andelsbanken	273	......
Baltica Skand	505	......
CopHandelsbank	252	+1
D. Sukkerfab	528xr	+13
Danske Bank	267	......
East Asiatic	145	+5
Forende Brygg	1,340	......
Forende Damp	176	−8
GNT Hldg	445	......
I.S.S.B.	736	−19
Jyske Bank	555	−9
Novo Ind.	3,090	......
Privatbanken	261	+1
Provinsbanken	323	......
Smidth (Fl)	242	+6
Sophus Berend	950	......
Superfos	472	−3

FRANCE

Nov. 9	Price Frs.	+ or −
Emprunt 4½% 1973	1,905	+7
Emprunt 7% 1973	9,325	......
CNE 3%	3,085	+7
Air Liquide	488	+1
BIC	735	−4
Bouygues	696	+4
BSN Gervais	2,385	......
CIT-Alcatel	1,428	+29
Carrefour	1,293	−7
Club Mediter'n	692	+11
CFAO	525	−4
Cie Bancaire	337.4	+1.4
Cofimeg	181	+2
Creusot Loire	48.2	+2
Darty	655	+8
Dumez	872	−17
Eaux (Cie Gen)	430.1	−3.4
Elf-Aquitaine	161.7	−1.8
Gen. Occidental	619	−1
Imetal	61.2	−0.8
Lafarge Coppee	258.8	+1.8
L'oreal	1,960	−18
Legrand	1,895	−5
Maisons Phenix	560	+2
Matra	991	−4
Michelin B	795	−10
Midi (Cie)	1,146	+11
Moet-Hennessy	1,303	+8
Moulinex	99.9	+6.9
Nord Est	47	−0.2
Pernod Ricard	960	+38
Perrier	405	+6
Petroles FR	152	−0.5
Peugeot-SA	196	+8.5
Poclain	67.1	......
Printemps Au	132	+2.4
Radiotech	392	......
Redoute	1,066	−4
Roussel-Uclaf	649	+2
Schneider	90	+4
Sefimeg	240	−2.5
Skis Rossignol	1,320	+10
Telemech Elect	1,230	+5
Thompson (CSF)	170	−7
Valeo	295	+2

GERMANY

Nov. 9	Price Dm.	+ or −
AEG-Telef	81	+1.3
Allianz Vers	820	+21
BASF	162.3	+1.8
Bayer	162.5	+1.5
Bayer-Hypo	275	+1
Bayer-Verein	308.5	+5
BHF-Bank	280	+1
BMW	416	+6
Brown Boveri	213	−1
Commerzbank	169.2	+2.4
Conti Gummi	125	+1
Daimler-Benz	674	+7
Degussa	348.8	+2.8
Demag	148	+2
D'sche Babcock	183	+4
Deutsche Bank	310.1	+5.1
Dresdner Bank	171.5	+3.5
GHH	136	+7.9
Hochtief	447	−2
Hoechst	174.7	+2.7
Hoesch Werke	93.8	+1.6
Holzmann (P)	420	−1
Horten	178	+1.2
Kali und Salz	195	+2
Karstadt	293	+2.5
Kaufhof	265.5	+1.5
KHD	240	+6
Kloeckner	38.5	+0.4
Krupp	69	......
Linde	388	+5
Lufthansa	155.8	+0.8
MAN	135	+8
Mannesmann	136.3	+2.8
Mercedes Hld	601	+5
Metallgesell	199.8	+1.8
Mueuch Rueck	1130	......
Preussag	266	+2
Rhein West Elect	173.5	+0.5
Rosenthal	295	+5
Schering	377	+0.6
Siemens	383	+5.2
Thyssen	80.6	+4.5
Varta	173.8	+0.5
Veba	167.5	+0.7
V.E.W.	119.5	+0.4
Verein-West	309	......
Volkswagen	222.9	+5.9

ITALY

Nov. 9	Price Lire	+ or −
Banca Com'le	26,700	−100
Bastogi-IRBS	170	−0.2
Centrale	1,335	−1
Credito Varesino	3,910	−20
Fiat	2,904	+12
Finsider	42.6	......
Generale (Assic)	155,818	......
Invest	2,972	−8
Italcementi	44,900	+100
Montedison	184	−0.2
Olivetti	3,235	−25
Pirelli Co	2,565	−25
Pirelli Spa	1,440	−15
Snia Viscosa	1,178	+10
Toro Assic	11,100	−100
do. Pref	8,199	+109

NETHERLANDS

Nov. 9	Price Fls.	+ or −
ACF Holding	158	−5
Ahold	168.2	−0.8
AKZO	76.5	−0.3
ABN	338	......
AMEV	132.7	+0.2
AMRO	57	......
Bredero Cert	173.5	−1.5
Boskalis Westm	42	−0.5
Buhrmann-Tet	61	......
Caland Hldgs	32.9	+0.2
Credit Lyon'is Bk	33	−2.5
Elsevier-NDU nv	484	+1
Ennia	167	+1.5
Gist-Brocades	148.5	−1.5
Heineken	120.8	+0.2
Hoogovens	34	+0.3
Hunter Douglas	16.6	−0.4
Int-Muller	27.2	−0.7
KLM	166.4	+2.2
Naarden Intl	36.5	+1.2
Nat Ned Cert	170.3	−1
Ned. Credit Bank	51.3	+0.1
Ned Mid Bank	136.5	−4.5
Nedlloyd	96	......
Oce Grinten	194	−2.5
Ommeren (Van)	32	−0.2
Pakhoed	52.5	−0.3
Philips	41	−0.7
Rijn-Schelde	4.2	......
Robeco	315.8	−0.6
Rodamco	129	......
Rolinco	302.8	−1
Rorento	196.2	+0.2
Royal Dutch	132.3	−0.2
Unilever	231	−1
VMF Stork	80	−1
VNU	112.5	+1.5
West Utr Bank	94.1	−1.9

NORWAY

Nov. 9	Price Kroner	+ or −
Bergens Bank	137.5	+0.5
Borregaard	158	−0.5
Christiania Bk	136	......
Den Norsk Credit	140	−1
Elkem	97.5	+6.5
Norsk Data	247.5	+5.5
Norsk Hydro	485	−4
Storebrand	166	−3.5

SPAIN

Nov. 8	Price Pts%	+ or −
Bco Bilbao	265	......
Bco Central	273	......
Bco Exterior	217	......
Bco Hispano	219	......
Bco Santander	261	......
Bco Vizcaya	332	+2
Dragados	144	−1
Hidrola	50.5	−1.5
Iberduero	44	+0.5
Petroleos	109.2	+2.2
Telefonica	86.5	......

SWEDEN

Nov. 9	Price Kronor	+ or −
AGA	335	......
Alfa-Laval	250	+3
ASEA (Free)	340	......
Astra (Free)	640	+10
Atlas Copco	102	......
Boliden	372	−3
Cardo	365	......
Cellulosa (Free)	146xc	−1
Electrolux B	220	......
Ericsson	395	−4
Esselte (Free)	286	......
Fagersta	400	......
Mo Och Domsjo	316	−2
Pharmacia (Free)	365	+12
Saab-Skania	276	+3
Sandvik B (Free)	305	......
Skandia	340	......
Skan Enskilda	293	......
SKF B	156	......
St. Kopparberg	510	+4
Sven Handelsbn	172	......
Swedish Match	238	+2
Volvo B (Free)	415	+1

SWITZERLAND

Nov. 9	Price Frs.	+ or −
Alusuisse	740	−44
Bank Leu	4,100	+90
Brown Boveri	1,246	+15
Ciba-Geigy	2,190	−20
do. (Part Certs)	1,795	−5
Credit Suisse	2,140	+10
Elektrowatt	2,810	......
Fischer (Geo.)	590	+5
Genevoise	3,650	......
Hoff-RochePtCts	96,625	+625
Hoff-Roche 1/10	9,625	......
Jacobs Suchard	6,425	−25
Jelmoli	1,810	......
Landis & Gyr	1,410	−5
Nestle	4,200	−5
Oer-Buehrle	1,275	+10
Pirelli	255	+5
Sandoz (Br)	7,175	−100
Sandoz (PtCts)	1,125	−10
Schindler (PtCts)	415	......
Swissair	901	−4
Swiss Bank	305	......
Swiss Reinsce	7,300	−50
Swiss Volksbk	1,410	+10
Union Bank	3,300	−10
Winterthur	2,890	−10
Zurich Ins	17,375	+25

AUSTRALIA

Nov. 9	Price Aust. $	+ or −
ANZ Group	5.64	+0.04
Acrow Aust	1.85	......
Alliance Oil D.	0.90	......
Ampol Pet	1.95	+0.03
Aust Cons Ind	1.73	+0.05
Aust. Guarant	2.70	......
Aust. Nat. Inds	2.7	+0.05
Aust. Paper	2.3	+0.04
Bond Hldgs	1.15	......
Boral	3.14	......
B'ville Copper	2.58	+0.03
Brambles Inds	3.05	+0.02
Bridge Oil	3.2	+0.1
BHP	12.75	+0.05
CRA	5.76	+0.04
CSR	3.8	+0.08
Carlton & Utd	2.88	+0.15
Castlemaine	4.15	......
Coles (G.J.)	3.78	+0.13
Comalco	3.10	......
Consolidated Pet	0.56	+0.03
Costain	1.45	+0.05
Dunlop	1.42	−0.01
E.Z. Ind	5.8	+0.04
Elders IXL	4.10	......
Energy Res	1.7	−0.02
Gen Prop Trust	1.95	......
Hardie (J.)	3.60	......
Hartogen Energy	2.6	+0.1
Herald W'y Times	3.00	......
ICI Aust.	2.07	......
Jimb'lana (50cFP)	0.2	......
Kia Ora Gold	0.18	−0.02
Lend Lease	4.5xo	......
MIM	3.8	+0.02
Mayne Nickless	2.7	−0.15
Meekatharra	1.2	......
Myer Emp	1.73	+0.03
Nat.Com.Bk.	3.35	+0.01
News	9	+0.2
Nicholas Kiwi	3	+0.1
North Bkn Hill	3.38	+0.05
Oakbridge	1.05	......
Otter Expl	0.6	......
Pancon	1.3	−0.02
Pioneer Conc	1.80	......
Reckitt & Coln	2.2	+0.05
Repco	1.24	......
Santos	8.14	+0.05
Smith (H.)	3.45	......
Southland Min'g.	0.29	+0.01
Spargos Expl	0.34	......
Thos. Natwide	1.90	......
Tooth	5	......
UMAL Cons	2.4	+0.04
Vamgas	3.65	+0.05
Western Mining	3.7	+0.05
Westpac	3.4	+0.01
Woodside Petrol	1.28	......
Woolworths	2.55	......
Wormald Intl	2.85	......

HONG KONG

Nov. 9	Price H.K.$	+ or −
Bank East Asia	20.1	−0.2
Carrian Invest	0.87	......
Cheung Kong	7.2	−0.1
China Light	13.9	−0.2
Hang Lung Devel.	1.55	......
Hang Seng Bank	37	......
HK Electric	5.5	−0.1
HK Kowloon Wh.	3.7	+0.05
HK Land	2.82	−0.05
HK Shanghai Bk.	7.2xd	−0.1
HK Telephone	34.5	−0.5
Hutchison Wpa	12.8	......
Jardine Math	11.3	−0.1
New World Dev.	2.67	−0.03
Orient O'seas	2.67	−0.05
O'seas Trust Bk	5	......
SKH Props	4.87	−0.05
Swire Pac A	14.7	......
Wheel'k Mard A	3.07	......
Wheel'k M'time	1.6	......
World Int. Holdgs	1.5	......

JAPAN

Nov. 9	Price Yen	+ or −
Ajinomoto	986	−7
Alps Electric	2,340	+30
Amada	815	......
Asahi Chem	375	−6
Asahi Glass	647	−8
Bridgeston	562	......
Canon	1,330	+10
Casio Comp	1,350	−20
Chugai Pharm	1,000	......
Citizen	560	−10
Daiei	641	......
Dai Nippon Ptg	865	−1
Daiwa House	519	−1
Ebara	531	......
Eisai	1,360	+80
Fanuc	8,020	−30
Fuji Bank	500	......
Fuji Film	2,010	+10
Fujisawa	903	+1
Fujitsu	1,290	−10
Green Cross	1,770	+10
Hasegawa	479	−1
Heiwa Real Est	613	−14
Hitachi	865	−1
Hitachi Credit	1,250	......
Honda	1,000	−10
House Food	970	+7
Hoya	1,190	+20
Itoh (C)	279	−4
Ito-Yokado	1,620	−20
Iwatsu	1,610	−10
JACCS	337	−3
JAL	2,280	......
Jusco	880	−17
Kajima	329	+3
Kao Soap	605	+5
Kashiyama	635	+5
Kirin	451	+2
Kokuyo	823	......
Komatsu	496	+3

JAPAN (continued)

Nov. 9	Price Yen	+ or −
Konishiroku	641	−8
Kubota	304	+1
Kumagai	446	−4
Kyoto Ceramic	7,070	−10
Maeda Const	571	+1
Makino Milling	1,310	−20
Makita	1,160	−10
Marubeni	371	−1
Marudai	665	−1
Marui	1,110	−20
MEI	1,690	......
M'ta Elec Works	565	......
M'bishi Bank	500	......
M'bishi Corp	539	−1
M'bishi Elec	419	−3
M'bishi Estate	472	+1
MHI	251	+4
Mitsui Co	360	−1
Mitsui Estate	710	−17
Mitsukoshi	347	−3
NGK Insulators	560	−2
Nihon Cement	304	−4
Nippon Denso	1,590	......
Nippon Elect	1,310	−30
Nippon Express	277	+4
Nippon Gakki	695	−1
Nippon Kokan	149	−2
Nippon Oil	1,100	−10
Nippon Seiko	568	−2
Nippon Shinpan	703	−1
Nippon Steel	167	+1
Nippon Suisan	320	+3
NTV	6,100	......
Nippon Yusen	249	−1
Nissan Motor	702	−2
Nisshin Flour	389	+3
Nisshin Steel	142	......
Nomura	720	+38
Olympus	981	+1
Omron Tateisi	1,680	−10
Orient Leasing	2,310	......
Pioneer	2,770	......
Renown	650	+4
Ricoh	1,010	−10
Sankyo	735	+7
Sanyo Elect	467	+4
Sapporo	365	−2
Sekisui Prefab	600	−6
Seven-Eleven	6,460	+160
Sharp	1,220	−10
Shimadzu	520	+5
Shionogi	811	+11
Shiseido	1,080	+10
Sony	3,460	−10
Stanley	710	......
S'tomo Elect	657	+1
S'tomo Marine	222	+4
S'tomo Metal	150	−3
Taihei Dengyo	565	......
Taisei Corp	230	−4
Taisho Pharm	883	−17
Takeda	758	−5
TDK	4,720	−50
Teijin	385	+1
Teikoku Oil	810	+1
Tokio Marine	500	+1
TBS	711	+11
Tokyo Elect Pwr.	1,040	+20
Tokyo Gas	131	......
Tokyo Sanyo	545	−6
Tokyo Style	850	−5
Tokyo Corp	293	+1
Toppan Print	600	−3
Toray	405	+1
Toshiba	368	−2
TOTO	511	+10
Toyo Seikan	660	−11
Toyota Motor	1,270	......
Victor	2,880	−80
Wacoal	680	+5
Yamaha	481	−2
Yamanouchi	1,590	−20
Yamazaki	777	−21
Yasuda Fire	226	−1
Yokogawa	460	......

SINGAPORE

Nov. 9	Price $	+ or −
Boustead Bhd	2.78	+0.05
Cold Storage	4.78	−0.02
DBS	9.1	......
Fraser & Neave	5.2	......
Genting	4.58	......
Haw Par	2.05	......
Inchcape Bhd	2.56	−0.01
Keppel Shipyard	3.22	......
Malay Banking	9	−0.1
Malay Brew	5.9	......
Multi Purpose	1.78	+0.02
OCBC	10.7	......
OUB	4.18	......
Sime Darby	2.34	+0.02
Straits St'mship	1.73	+0.05
Straits Trdg.	5.4	......
UOB	5.3	......

SOUTH AFRICA

Nov. 9	Price Rand	+ or −
Abercom	2.65	+0.05
AE & CI	8	−0.54
Anglo Am Coal	25.5	+0.25
Anglo Am Corp	19.25	+0.55
Anglo Am Gold	117.5	+3
Barclays Bank	15.25	+0.25
Barlow Rand	13.60	+0.05
Buffels	52.5	+2
CNA Gallo	2.8	+0.05
Currie Finance	4	+1
De Beers	9.35	+0.45
Driefontein	34	+0.25
FS Geduld	41.25	......
Gold Fields S.A.	22	+0.25
Highveld Steel	4.9	......
Nedbank	13.8	+0.25
OK Bazaars	20	......
Protea Hldgs	3.5	......
Rembrant	22.75	+0.25
Rennies	11.5	+0.5
Rustenburg	11.1	+0.25
Sage Hldgs	6.1	......
SA Brews	7.05	+0.15
Smith (C.G.)	21.00	......
Tongaat Huletts	9.2	......
Unisec	5.45	−0.05

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

	1983		Rises and Falls			
	High	Low				
	442.62 (8/5)	78.79 (3/1)	Rises	11	627	591
			Falls	596	946	972
			Unchanged	375	385	394

MONTREAL	Nov 9	Nov 8	Nov 7	Nov 4	1983 High	1983 Low
Industrials	426.71	421.3	419.59	420.94	483.98 (5/9)	329.12 (4/1)
Combined	411.96	407.15	404.73	405.22	441.29 (28/9)	318.45 (5/1)
TORONTO Composite	2430.8	2411.3	2388.5	2387.6	2598.2 (28/9)	1949.8 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Nov. 9	Nov. 8	Nov. 7	Nov. 4	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	[illegible]	[illegible]	[illegible]	[illegible]	766.7 (12/8)	487.8 (4/1)
Metals & Mnls. (1/1/80)	[illegible]	[illegible]	[illegible]	[illegible]	614.2 (8/8)	411.9 (4/1)
AUSTRIA Credit Aktien (2/1/62)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BELGIUM Belgian SE (31/12/63)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DENMARK Copenhagen SE (1/1/83)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FRANCE CAC General (31/12/82)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ind Tendance (31/12/82)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GERMANY FAZ-Aktien (31/12/58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commerzbank (Dec 1953)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HONG KONG Hang Seng Bank (31/7/64)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ITALY Banca Comm Ital. (1972)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JAPAN** Nikkei-Dow (16/5/49)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo SE New (4/1/68)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NETHERLANDS ANP-CBS General (1970)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ANP-CBS Indust (1970)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NORWAY Oslo SE (4/1/83)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SINGAPORE Straits Times (1966)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SOUTH AFRICA Gold (1958)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrial (1958)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SPAIN Madrid SE (31/12/82)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SWEDEN Jacobson & P. (1/1/58)	1598.56	1595.21	1599.78	1599.07	1599.50 (6/9)	898.78 (3/1)
SWITZERLAND SwissBankCpn. (31/12/58)	353.4	352.1	352.1	355.9	365.5 (8/11)	294.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	175.9	176.9	177.4	185.8 (18/10)	154.3 (3/1)

(**) Saturday Nov. 5: Japan Nikkei-Dow 9377.20 TSE 692.31.

Base values of all Indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Short tap runs out as Gilt-edged investors ignore interest rate uncertainties

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 31	Nov 10	Nov 11	Nov 21
Nov 14	Nov 24	Nov 25	Dec 5
Nov 28	Dec 8	Dec 9	Dec 19

* "New-time" dealings may take place from 9.30 am two business days earlier.

Neither the deferment, hopefully for the time being, of cheaper UK money nor increased fears of dearer U.S. credit made any great impression yesterday on London stock markets. Gilt-edged investors, in fact, were more concerned about inflation prospects and, following publication of more views broadly similar to recent encouraging official findings, committed funds to both short and long maturities.

In order to satisfy investment demand and other business, the Government broker sold supplies of the partly-paid short tap stock, Treasury 9¾ per cent Convertible 1988, at 60¼ and then announced its exhaustion. General interest faded after this announcement and quotations eased a shade with exceptions showing in selected low-coupon issues; these retained improvements extending to 1/16.

Longer-dated funds also went higher despite a paucity of institutional trade. Business consisted largely of persistent small orders from private clients and switching operations in markets none-too-well supplied with stock. In this area, too, quotations settled a little below the day's highest, although gains among high-coupon maturities still ranged to ½.

A moderate equity business centred around situation issues, companies reporting trading statements and one or two specialist sectors. Institutional and other large investors were inclined to hold fire ahead of the Chancellor's economic package, expected next week, but several large put-throughs involving Hawker Siddeley, TI and the residue of a deal in Bridon started the previous day were effected without difficulty.

General Accident lower

Leading Electricals were more active than most with the accent late on Plessey after settlement of the trade secret and copyright lawsuit, concerning the group's integrated digital exchange system, with Rolm Corporation of Santa Clara, California. A constituent of the FT Industrial Ordinary share index, Plessey jumped 11 to 220p and the movement accounted for 1.3 of the closing gain of 1.7 to 721.8 in the index; at the six inter-day counts, the measure was either fractionally easier or unchanged.

Attention in Composite Insurances switched to Commercial Union and General Accident, both of which announced third-quarter figures yesterday. CU's figures came at the bottom of the estimated range but the shares finished only a couple of pence cheaper at 174p, underpinned by the Board's cautiously optimistic statement. General Accident's profits, however, fell well below market estimates as hurricane losses in the U.S. took their toll and the shares reacted to 418p before closing a net 12 down at 420p. Royals, third-quarter results due next Tuesday, eased 4 to 490p, while Phoenix shed 10 to 363p. After the recent activity, business in Eagle Star contracted considerably and the price fluctuated narrowly before closing without alteration at 608p. Lloyds brokers continued to meet selective support.

Among the major clearing banks, Barclays, 458p, and Lloyds, 488p, both rose 8. Bank of Ireland rose 10 to 250p awaiting today's half-year figures; Allied Irish firmed 5 to 135p. Merchant Banks displayed a dull feature in Hill Samuel, which shed 12 to 266p on disappointment with the interim statement. In general firm Discount Houses, Cater Allen rose 10 to 410p and Alexanders 8 to 273p.

Breweries lacked investment support and drifted lower throughout the session, although a slightly firmer tone was evident after the official close and most losses were reduced. Bass, down to 315p earlier, settled 3 cheaper on balance at 317p, while a generally guarded Press reaction to the interim statement clipped a couple of pence more from Whitbread, 141p. In contrast, Scottish and Newcastle hardened a penny to 93p following the settlement of the draymen's dispute at the Drybrough plant in Edinburgh.

Blue Circle touched 433p on talk that the group intended to sell its 55 per cent stake in Blue Circle of South Africa, but a denial from the company brought the shares swiftly back to the overnight level of 418p. Elsewhere in the Building sector, Barratt Developments shed 6 to 190p on rumours that the company was to be the subject of a television programme criticising the company's selling methods. Bellway touched 132p following the preliminary results, but drifted back to close a couple of pence cheaper on balance at 127p. Ibstock Johnsen, good on Tuesday on vague rumours of a merger with Steetley and reports of a broker's seminar, eased a couple of pence to 162p. On the other hand, recently dull H.A.T. Group rallied 5 to 110p as a line of stock was cleared, while Blockleys, a thin market, rose 15 to 325p following favourable Press comment.

A broker's "take profits" advice left ICI 6 cheaper at 582p, but Amersham International, in the doldrums lately, rallied 5 to 233p, also following a broker's circular.

Sumrie react

Lack of investment incentive resulted in another lacklustre session among leading Stores, although dealers reported a firm underlying tone and most finished a shade firmer for choice. Burton remained to the fore with a gain of 6 at 370p, while Marks and Spencer hardened a couple of pence more to 216p. Habitat-Mothercare, however, closed 6 lower for a two-day fall of 10 at 280p. Similar subdued conditions prevailed among secondary issues. Sumrie Clothes, a recent speculative favourite, reacted to sporadic profit-taking and gave up 8 at 95p, but jewellers Asprey were wanted at 775p, up 50.

Plessey featured in the late dealings at 220p, up 11, on news of the settlement of the lawsuit and modifications and extensions of the group's agreement with Rolm Corporation of the U.S. Selected high technology stocks came in for fresh support, Cambridge Electronic rising 13 to 263p, Electrocomponents 10 to 245p and Farnell 8 to 333p. Ferranti were a good market in the late dealings and put on 21 to 611p. Kode, in contrast, remained overshadowed by the forecast of marginally lower annual profits and fell 15 for a two-day loss of 63 to 242p.

Leading Engineers held up extremely well despite the placing of nearly 1.7m shares in TI at 144p and 1.5m shares in Hawker at 310p. TI closed unaltered at 146p and Hawker ended a couple of pence cheaper at 316p. Movements elsewhere in the sector were usually limited to a few pence either way. Yarrow improved 5 more to 330p following comment on the preliminary results.

Movements of consequence in Foods were scarce, but J. Sainsbury stood out with a gain of 8 at 435p, after 440p, following the excellent interim results. In sympathy, Tesco, half-timer due next Wednesday, hardened a penny to 170p, after 171p, while Kwik Save, 330p, and Dee Corporation, 320p, both improved a couple of pence. Elsewhere, P. Panto shed a penny to 13p following the increased interim loss.

Smiths Inds feature

Satisfactory preliminary results and the encouraging tenor of the statement on the trading outlook prompted demand for Smiths Industries, which closed around the day's best with a rise of 27 at 425p. Once again, other leading miscellaneous industrials closed little changed after a slow day's trading. Awaiting today's interim figures, Applied Computer put on 7 to 405p, while Staffordshire Potteries, still reflecting the chairman's encouraging annual statement, improved 4 more to 54p. Late support lifted BET 6 to 251p after the announcement of the offer of around £80m from RTZ Oil and Gas for the group's fourteen North Sea blocks. Cornell came back 5 to 245p after the previous day's upward flurry on hopes of early news on the proposed merger with Polly Peck. Consultants stood out with a fall of 20 to 565p, while other dull spots included Turner and Newall, 4 down at 64p, and Highgate Optical, a like amount lower at 98p. Chubb closed a penny up at 144p, after 151p, interim profits in line with expectations being overshadowed by the none-too-encouraging statement on the outlook.

Pleasurama touched 363p before closing a net 9 up at 353p; early in the session, around quarter of a million Pleasurama shares were put through the market at approximately 368p per share and late in the afternoon Grand Metropolitan announced that it had rebuilt its stake in the company to 29.94 per cent; Grand Met closed 7 higher at 332p. Elsewhere in the Leisure sector, Intervision, still awaiting the delayed preliminary figures, softened a penny to 27p, while LWT A, annual results scheduled for today, eased 3 to 179p.

Dowty attracted investment support and, with the aid of sizeable call option business, advanced 6 to 109p, after 110p. Lucas, on the other hand, succumbed to scattered selling in the wake of Monday's preliminary results and gave up a couple of pence at 150p. Garages featured Ford dealers Jessups which announced substantially increased full-year profits and a 100 per cent scrip issue; in a lively trade, the shares rose to 80p before closing a net 3 to the good at 79p.

The undertone in Properties remained firm, but the leaders barely stirred while secondary issues gave a little ground in places. Profit-taking in the wake of the preliminary results clipped 4 from C. H. Beazer, to 282p, while Imry shed 10 for a two-day fall of 20 to 250p on news that Norwich Union Insurance had reduced its stake in the company to below 5 per cent. Speculative counter Stewart Nairn eased a couple of pence to 39p, while estate agents Bairstow Eves eased 3 to 67p. Churchbury Estates hardened 5 to 595p following the good half-year figures, while recently dull Espley Tyas rallied 3 to 77p after Press comment.

Further consideration of the full-year results prompted renewed support of Barlow Rand which added 60 to record a two-day gain of 90 at 790p. South African Breweries firmed a few pence to 410p after the interim statement.

Dealings in Montfort (Knitting Mills) was suspended at 28p pending details of the proposed acquisition of Palma.

The Citicorp/Vickers da Costa marriage continued to inspire hopes of similar action involving other Stock Exchange member firms. Stockjobbers Smith Brothers stood out with an advance of 5 more to 65p, after 67p, while Akroyd and Smithers hardened 2 further to 480p. Exco International, reported to be close to a deal with brokers Wood McKenzie, rose 8 to 543p with sentiment additionally buoyed by the 80 per cent profits expansion reported by subsidiary Telerate.

Leading Oils passed a relatively quiet but steady trading session. Shell held at 566p awaiting today's third quarter figures, while Ultramar, also due to report third quarter results today, hardened 5 to 615p. News of its successful bid for a working interest in BP's Forties field prompted late interest in Charterhouse which settled with a rise of 7 to 122p. Among the more speculative exploration stocks, Sun (UK) Royalty dipped to 240p at one stage on rumours of a dry well before recovering smartly on bear closing to finish 5 higher on the day at 270p. Atlantic Resources rallied 35 to 695p and Aran Energy finished 3 firmer at 58p.

Among otherwise subdued Overseas Traders, Boustead eased 3 to 78p following the acquisition of Powerdrive for a maximum consideration of £1.68m, to be financed by the issue and subsequent placing of 2.14m shares.

Golds surge ahead

South African Golds continued to make rapid and impressive progress, albeit in a disappointingly thin trading.

The sharemarket opened fractionally easier, reflecting the lack-lustre opening on bullion markets, but staged a sudden and sharp rally almost immediately in the wake of aggressive and sizeable buying from Johannesburg.

The demand found London markets short of stock and prices raced ahead across the board before easing marginally in the after-hours' trading.

The Gold Mines index jumped 20.9 more to 513.1 for a two-day gain of 38.6, but the bullion price closed only $1.75 firmer at $383.375.

Vaal Reefs were prominent among the leading heavyweights, moving up £2¼ to £64¼, while rises in excess of a point were common to Randfontein, £75¾, Doornfontein, £12½, Libanon, £21½, and Western Deep, £31½.

Cheaper-priced issues were featured by Venterspost, which jumped 107 to 917p, Elandsrand, 32 higher at 715p and Western Areas which put on 36 at 360p.

South African Financials were by no means overshadowed by Golds. Renewed heavy demand was seen in De Beers, which advanced a further 27 to 532p—a two-day rise of 43—and Anglo American Corporation, ½ up at £11½, while Gencor rose ¾ to £15, Rand Mines Properties 30 to 660p and Transvaal Consolidated Land ¾ to £25½.

London Financials traded similarly to Golds, opening slightly easier and subsequently staging a strong recovery to close with good gains on balance.

RTZ opened around 552p but picked up to close a net 11 up at 564p, boosted by a further rally in LME copper prices and news of the company's proposed purchase of the BET group's North Sea oil interests. Consolidated Gold Fields closed 9 to the good at 484p, after 471p.

Australians made further progress but on a much smaller scale than recently. Uraniums remained the most popular sector with EZ Industries notably firm at 360p, up 15.

North Broken Hill, widely talked of as a possible bidder for EZ Industries, continued to move ahead, closing 4 to the good at a 1983 high of 210p. Interest was also seen in Pacific Copper, which edged up 3 to a year's best of 80p.

Total contracts struck in Traded Options amounted to 2,382, comprising 1,488 calls and 894 puts. ICI attracted a useful evenly-balanced business in the wake of a "take profits" recommendation for the underlying shares and recorded 189 calls and 140 puts. Vague rumours of a broker's favourable circular prompted support of Barclays Bank call positions in which 276 trades were struck. Premium gains were few, although Consolidated Gold Fields January 550 calls stood out with a rise of 5 to 17p. Puts featured Imperial Group which recorded 370 trades, all of which were done in the November 130's.

FINANCIAL TIMES STOCK INDICES

	Nov. 9	Nov. 8	Nov. 7	Nov. 4	Nov. 3	Nov. 2	year ago
Government Secs.	82.26	82.09	81.90	82.02	82.24	82.22	85.41
Fixed Interest	85.20	85.08	84.97	85.08	85.17	85.13	86.69
Industrial Ord.	721.8	720.1	721.4	718.3	714.7	707.8	634.5
Gold Mines	513.1	492.2	474.5	464.8	466.2	477.9	381.4
Ord. Div. Yield	4.74	4.75	4.75	4.76	4.78	4.82	4.74
Earnings, Yld.% (full)	9.40	9.42	9.41	9.43	9.47	9.55	10.16
P/E Ratio (net) (*)	13.28	13.25	13.26	13.23	13.18	13.07	11.82
Total bargains.	20,100	18,916	†18,847	19,004	20,160	21,002	21,498
Equity turnover £m.	—	168.89	154.66	222.57	215.94	221.41	190.61
Equity bargains	—	15,549	16,421	16,022	15,686	16,818	17,683
Shares traded (ml)	—	99.2	96.8	130.1	124.4	132.8	123.4

10 am 719.6. 11 am 720.1. Noon 719.9. 1 pm 720.1. 2 pm 720.1. 3 pm 719.7.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.49.

† Corrected.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/55)	49.18 (3/1/75)
Fixed Int.	85.20 (9/11)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/9)	598.4 (12/1)	740.4 (22/9/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.6 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 8	Nov. 7
—Daily Gilt Edged Bargains	156.1	158.5
Equities Bargains	102.7	106.4
Value	341.4	312.6
5-day Avrge Gilt-Edged Bargains	167.2	176.0
Equities Bargains	106.0	109.0
Value	397.6	411.2

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+or −
660	Nil	—	11/11	70pm	65pm	Continental Microwave	65pm
*310	Nil	—	22/11	22pm	20pm	F.&C. Enterprise Units 10p	21pm
30	Nil	—	9/12	5pm	3pm	Inn Leisure 5p	5pm
20	F.P.	—	18/11	52	37	Inter-City Inv. 20p	42
275	F.P.	—	11/11	323	305	Lex Service	323
120	F.P.	7/11	9/12	148	127	MFI Furniture 10p	148 +2
14	Nil	—	28/11	3pm	2½pm	Raine Inds. 10p	3pm +½
86	Nil	—	4/1	10½pm	5pm	Ward White	10½pm +1
"	Nil	—	21/11	109	95	Western Mining Options	109

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✲ Unlisted Securities Market. *Comprising of 10 New ordinary plus 1 Series B Warrant.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (41)

BRITISH FUNDS (3)
Excher. 3pc 1984 — Treas. 8½pc '84-86 — Treas. 3pc 1985

INT. BK. & O'SEAS GOVT. STLG. ISS. (2)
Int.-Am. Dev. Bk. 12½pc 2003 — Malaysia 12¼pc Ln. 1988

COM'WEALTH & AFRICAN LOANS (1)
N.Z. 7¼pc 1988-92

LOANS (3)
Inv. in Ind. 7¼pc A Deb. 1989-92 — Nationwide Bldg. Soc 11pc 3/9/84 — Do. 8¾pc Ln. 1992-97

AMERICANS (1)
Derma-Lock Medical

BUILDINGS (1)
Phoenix Timber

CHEMICALS (1)
Scot. Agricultural

STORES (1)
Preedy (Alfred)

ENGINEERING (3)
Braithwaite — Cummins 2¾pc Cnv. Uns. Ln. 1978-94 — Tecalemit

FOODS (2)
Low (Wm.) — Nabisco Brands

HOTELS (1)
Garfunkels Rests.

INDUSTRIALS (7)
Anglo-African Fin. — Hartons — Bibby (J.) — MMT Computing — Continental Group — Staffs. Potts. 10pc Cnv. Red. Pref. — Elson & Robbins

INSURANCE (1)
Marsh & McLennan

LEISURE (2)
Grampian TV A — Pleasurama

MOTORS (2)
Herman Smith — Jessups

SHOES (1)
Pittard

TEXTILES (1)
Parkland A

TRUSTS (5)
Brit. Invest. — Akroyd & Smithers — Ch. Islands Cap. — Smith Bros. — Moorside Trust

OILS (1)
Burmah 8½pc Uns. Ln. 1991-96

MINES (2)
North Broken Hill — Pacific Copper

NEW LOWS (14)

BUILDINGS (1)
Milbury

CHEMICALS (1)
Croda Internatl.

ELECTRICALS (2)
Kode Internatl. — Telefusion

ENGINEERING (3)
Austin (James) — Renold — Norton (W. E.)

INDUSTRIALS (4)
Hayters — Securicor — Parker Knoll A — Do. A N-V

PROPERTY (1)
C.A.L.A.

OILS (1)
Tri-Basin Res.

MINES (1)
Meekatharra

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 7	Nov 18	Feb 9	Feb 20
Nov 21	Dec 2	Feb 23	Mar 5
Dec 5	Dec 16	Mar 8	Mar 19

For rate indications see end of Share Information Service

Call options were arranged in Dowty, Windsor Resources, Renold, London and Liverpool, Yelverton, Readicut, Midland Industries, Metal Sciences, Debenhams, Youghal Carpets, Sun UK Royalties, Conex, Hawley, Trident TV A, Spear and Jackson, Charterhall, Rayford Supreme, Prince of Wales Hotels, Freshbake Foods, Cookson, Hampton Areas and Spargos. Puts were done in Samantha and Atlantic Resources, while a double was taken out in London and Liverpool.

RISES AND FALLS

	Rises	Falls	Same
British Funds	71	—	30
Corpns. Dom. and Foreign Bonds	20	4	53
Industrials	205	289	913
Financial and Props.	86	94	345
Oils	20	28	67
Plantations	5	1	14
Mines	69	19	77
Others	54	53	63
Totals	530	468	1,562

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Anglo Amer Corp	£11½	+½
Atlantic Res	695	+35
Blue Circle	418	—
De Beers Defd	532	+27
Fleet Holdings	118	−1
General Accident	420	−12
Hill Samuel	266	−12
ICI	582	−6
Libanon Gold	£21½	+1⅛
Pleasurama	352	+9
Sainsbury (J.)	435	+8
Smith Inds	425	+27

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of change	Tues. close	Day's change
Eagle Star	19	608	−7
De La Rue	14	570	+20
French Cnctn N	13	123	—
ICI	11	588	−2
GEC	10	204	—
Glaxo	10	722	−11
Racal Elects	10	206	—
RTZ	10	553	+8
Shell Trans	10	566	+4
Whitbread A	10	143	−6
Beecham	9	320	—
Lon & Liv Tst	9	46	−4
Midland Bank	9	390	+5
Plessey	9	209	+3

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 15,150

A=Ask B=Bid C=Call P=Put

Option	Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
Brit. Petroleum (*430)						
360	80	—	—	3	—	—
390	50	62	68	6	11	18
420	28	40	48	14	20	28

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Group (*132)						
110	23	26	27	0½	1	2
120	14	17	18	0¼	2½	4
130	4¾	9	12	3	5	7

Nov. 9. Total Contracts 2,382. Calls 1,488. Puts 894

* Underlying security price.

LOANS—continued

Financial

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97½	92	Inv in Ind 6¾pc Db '81-'84	96xd	.....	6.52	10.70
106½	96¼	Do. 10¼pc UnLn '86	102½	+¼	10.64	11.20
104	96½	Do. 11pc Uns.Ln. '88	103	+1	11.10	11.38
104½	97½	Do. 11¼pc Uns.Ln. '90	104½	+1	11.73	11.70
106½	91½	Do. 12¾pc Un. Ln. 1992	106½	+½	11.95	11.60
81½	74½	Do. 7¼pc A Deb '89-92	81½	+1	9.29	11.20
77½	70½	Do. 7¼pc A Deb. '91-94	77½	+1	9.57	11.18
88¼	80½	Do. 9% A '91-'94	88	−¼	10.40	11.20
86½	72⅝	Do. 8⅞pc Ln. '92-97	86½	+½	10.57	11.18

Building Societies

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅛	98	N'wide 9⅞pc 28.11.83	100⅛xd	−⅛	9.87	9.32
100½	99⅜	Do. 11¼pc 19.12.83	100⅛	.....	11.23	9.58
100¾	99	Do. 11⅞pc 23.1.84	100⅜	.....	11.84	9.77
100¾	100	Do. 11⅞pc 13.2.84	100½	.....	11.82	9.45
100⅝	99	Do. 11¼pc 19.3.84	100⅝	+⅛	11.18	9.33
100⅞	99⅞	Do. 11¼pc 9.4.84	100⅞xd	.....	11.17	9.27
100⅞	99½	Do 10¹¹⁄₁₆% 30/4/84	100¹¹⁄₁₆xd	+¹⁄₁₆	10.61	9.18
100⅞	99⅞	Do 10⅞% 29/5/84	100⅞xd	.....	10.78	9.28
100⅞	99½	Do. 10⅞pc 18.6.84	100⅞xd	.....	10.77	9.27
100½	99½	Do. 10⅞pc 9.7.84	100⅞	+¹⁄₁₆	10.51	9.79
100½	99¼	Do. 10⅞pc 30.7.84	100½	.....	10.82	10.05
100⅞	100⅛	Do. 11¼pc 20/8/84	100⅞	+¹⁄₁₆	11.16	10.04
100¼	99⅞	Do. 11pc 3/9/84	100¼	+¹⁄₁₆	10.92	9.78

FOREIGN BONDS & RAILS

[illegible]

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅜	98½	Exch. 10pc 1983	100⅛xd	.....	9.99	8.76
99⅝	96¼	Funding 5½pc '82-84‡‡	99⅝	.....	5.54	9.18
101¼	99½	Exch. 11¼pc 1984	100⅜	.....	11.19	8.81
104⅝	100¾	Exchequer 14pc 1984	102⅞xd	.....	13.64	9.27
96¾	92½	Exch. 3pc 1984	96¾	+¼	3.10	8.55

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
84¼	78¾	Do. 5½pc '85-87	84	−¼	6.55	10.98
81¾	75	Do 6¾pc '88-90	81¼	.....	8.53	11.26
26⅜	23¼	Do. 3pc '20 Aft.	25xd	.....	12.03	—
103	100	Sunderland 12¼pc 1984	102¼	.....	11.98	9.96

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
82¼	74¼	N.Z. 7¼pc 1988-92	82¼	+¼	9.02	10.78
94	88¾	Do. 7¾pc '83-86	94	.....	8.22	11.48
181	158	S. Rhod. 2½pc Non-Ass.	180	.....	—	—
86	74	Do. 3½pc 80-85 Assd.	82	.....	4.29	14.90
57	44	Do 4½pc 87-92 Assd.	54	.....	8.43	14.20
395	321	Zimbabwe Ann (£100pa)	340	.....	—	15.70

LOANS

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
77½	73¼	Agric. Mt. 5pc '59-89	74½	.....	6.87	11.67
36	31¼	Met. Wtr. 3pc 'B'	36	.....	8.45	11.23

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
£93	£66	Algemene Fl.100	£78	−½	v026%	1.8	7.4	7.6
157	89	Allied Irish	135	+5	Q49%	4.2	7.1	4.6
110	75	Arbuthnot (H.) 50p	85	.....	3.5	—	5.9	—
275	170	Bk. Ireland £1	250	+10	h024.9	—	7.8	—
£13½	£11½	Bk. Leumi IS100	£11½	.....	—	—	—	—
215	130	Bk. Leumi (UK) £1	208	.....	10.15	—	7.2	—
535	420	Bank Scotland £1	535	+2	†24.0	4.1	6.4	4.1
534	385	Barclays £1	458	+8	†22.0	3.6	6.9	4.6
310	235	Brown Shipley £1	300	.....	7.75	—	3.7	—
410	315	Cater Allen £1	410	+10	†26.95	—	9.6	—
114	78	Charterhouse Gp.	104	−1	♦st5.4	1.6	7.4	(10.9)
44	32	Clive Dis'nt 20p	38	.....	†3.2	—	12.0	—
980	650	Com'zbk DM 10	830	+2	gv12%	—	5.1	—
£22¼	£10⅝	C'hgn Hbk.Kr100	£18¼	+¼	vQ15%	—	8.6	—
9	6½	Dawes (G. R.)	7	.....	—	—	—	—
£94	£68½	Deutsche Bank DM50	£76¼	+⅜	v22%	—	3.5	—
178	94	English Assoc.	140	.....	n2.73	3.8	2.8	13.4
66	39	First Nat. 10p	62½	+1½	—	—	—	5.0
5¼	¼	Do Wrrts. 75-83	1¼	.....	—	—	—	—
240	161	Gerrard Natnl.	232xd	−3	h10.0	—	6.2	—
59	43	Goode D't Mry.5p	49	.....	1.0	—	2.9	—
208	125	Grindlays	138	.....	4.38	3.8	4.5	10.5
*58	39	Guinness Peat	50	.....	B—	—	—	—
140	100	Hambros 5p	120	−2	5.28	—	6.3	—
278	177	Hill Samuel	266	−12	†9.1	—	4.9	—
86½	50	Hong Shng.$2.50	61	−1	†Q55c	—	7.6	—

FT LONDON SHARE INFORMATION SERVICE

BANKS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
76	57	Jessel Toyn. & Gillett	71xd	.....	†5.5	—	11.1	—
263	185	Joseph (Leo) £1	245	.....	11.25	—	6.6	—
116	94	King & Shax 20p	105	+3	7.5	—	10.5	—
370	270	Kleinwort B.L.	330	+2	11.0	—	4.8	—
576	395	Lloyds £1	488	+8	†24.58	3.8	7.2	4.0
40	27	Manson Fin. 20p	29xd	+1	G1.0	1.1	5.2	(21.5)
450	234	Mercury Secs.	445	.....	9.5	—	3.0	—
443	272	Midland £1	388	−2	¶25.5	3.1	9.4	4.1
£80	£67	Do. 7½% 83-93	£79½	+¼	Q7½%	38.9	f3.2	—
£98¼	£89½	Do. 10¼% 93-98	£98½	−¼	Q10¼%	38.9	e12.8	—
118	77	Minster Assets	100	+3	†4.7	2.1	6.7	9.2
*205	128	Nat. Com. Bk. Aus. $A1	205	.....	FQ23c	2.6	6.8	5.6
675	446	Nat. West. £1	598	.....	†29.0	3.9	6.9	4.0
£80	£58	Ottoman Bank £20	£58½	.....	Q45%	—	—	—
141	115	Royal Bk. of Scot.	132	+3	†6.7	3.6	7.2	4.7
655	465	Schroders £1	615	.....	15.0	—	3.5	—
250	200	Seccombe MC £1	230	−10	19.0	—	12.1	—
£37⅛	£22¼	Sec. Pacific Corp.	£30⅝	+½	Q$2.40	—	4.4	—
52	32	Smith St. Aub.	41xd	.....	3.5	—	12.2	—

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
120	102	Wolstenholme	103	.....	6.25	2.1	8.7	(6.4)
85	44	Yorks Chems.	77	−1	1.0	0.6	1.9	—

DRAPERY AND STORES

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
30	10	Acso Jewellery 10p	20xd	.....	‡d3.7	—	‡	—
29½	21	Allebone 10p	24½	−½	0.5	1.8	2.9	(13.9)
25	7½	Amber Day 20p	8½	−½	B—	—	—	6.9
55	37	Aquascutum 5p	45	.....	2.05	0.3	6.5	—
42½	29½	Do. 'A' 5p	34	+1	2.05	0.3	8.6	—
975	675	♦Asprey	775	+50	16.0	2.9	3.0	12.8
134	91	Baker's Strs. 10p	91	.....	1.65	5.1	2.6	10.8
37	11	Bambers Stores 10p	12#	.....	0.25	—	3.0	—
98	73	Beattie (J) 'A'	83	.....	2.65	3.0	4.6	10.4
49	39	Bentalls 10p	45	.....	†1.6	1.7	5.1	17.0
14	4	Boardman KO 5p	13	.....	—	—	—	—
18	11	Bolton Text. 5p	17	.....	—	—	—	—
53	24	Bremner	48	.....	2.2	0.8	6.5	(13.9)
236	196	Brit. Home Strs.	216	+1	5.25	2.7	3.5	15.2

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
491	325	Utd. Scientific	350	−5	†4.0	3.5	1.6	22.4
70	25	Vitatron N.V. Fl 0.25	54	+1	—	—	—	—
98	45	Ward & Gold	86	.....	2.0	0.3	3.4	♦
*235	123	♦Webber El. 12½p	233	.....	¶3.5	2.8	2.1	27.5
51	34	Wstn. Select 20p	37	.....	2.5	2.4	9.7	9.8
95	62	Whitworth El. 5p	62	.....	1.61	5.1	3.5	6.8
320	240	Wh'lesale Ftg 10p	240	.....	5.1	3.8	3.0	15.8

ENGINEERING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
17	9	AI Ind. Prods.	14	.....	‡0.01	—	0.1	—
390	272	A.P.V. 50p	277	−9	10.5	2.6	5.4	8.0
62	40	Acrow	45	−2	—	—	—	—
26	10	Do. 'A'	14	.....	—	—	—	—
246	190	Adwest Group	208	−2	9.1	2.1	6.2	9.8
34	28	Allen W.G.	30	−2	—	—	—	—
490	380	Ash & Lacy	442	+2	18.0	2.5	5.8	8.7
17	11	Astra Ind'l. 10p	12	.....	0.53	0.6	6.2	(46.0)
13	8	Aurora 10p	10	.....	B—	—	—	—
13	9	Do. 9pcCvCmRdPf	10	.....	—	—	8.1	—
37	33	Austin (James)	33xd	−1	1.87	—	—	—
192	102	Babcock Intl.	138	−2	7.0	1.9	7.2	9.4
17½	10	Bailey (C. H.)	10½	.....	—	—	—	—
117	83	Baker Perk. 50p	89	−1	5.1	1.7	8.2	(18.5)
60	43	Bamro Inds 20p	43	.....	3.3	1.0	10.7	13.6

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
63	25	Somportex	35	.....	1.0	—	4.1	—
32	23	Squirrel H'n 12½p	27	.....	‡1.81	1.7	‡	7.3
*363	209	Tate & Lyle £1	356	.....	¶15.5	3.2	6.2	6.8
44	22	Tavener Rut. 20p	38	.....	—	—	—	—
176	111	Tesco 5p	170	+1	3.5	2.8	2.9	15.4
£159	£111	Do 9pc Cv Uns Ln 2002-07	£149	+1	Q9%	—	f6.2	—
113	90	Unigate	110	+1	6.8	1.8	8.8	(7.6)
160	128	United Biscuits	137	+1	†5.8	2.4	6.2	7.8
95	66	Watson Philp. 10p	67	.....	4.0	2.0	8.5	8.3

HOTELS AND CATERERS

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
37	21½	Comfort Int. 10p	32½	.....	†0.65	2.2	2.9	18.3
278	210	De Vere Hotels	278	.....	6.0	0.8	3.1	(41.0)
43½	35½	Epicure 5p	38½	+1½	d2.13	1.7	7.9	8.8
178	98	♦Gardner Rest. 10p	178	+9	1.0	7.0	0.8	18.8
366	297	Grand Met. 50p	332	+7	†8.38	2.8	3.6	11.3
*39	29	♦Ian Leisure 5p	35xd	+1	g0.42	3.7	1.7	18.8
260	150	♦Kennedy Bkes 10p	220	−3	1.23	10.0	0.8	12.9
233	160	Ladbroke 10p	204	+1	†8.0	1.9	5.6	12.4
150	130	♦Midsummer Inns £1	135	.....	2.5	3.2	2.3	13.7
47½	28	Mt. Charlotte 10p	47½	.....	‡1.02	2.6	3.1	(16.0)
38	27	Norfolk Cap 5p	37	.....	0.2	—	0.8	—
135	58	Prince of Wales	134xd	−1	†2.25	3.6	2.4	12.8
*40	*30	Queen's Moat 5p	33	.....	b1.33	1.8	5.8	11.6
£157	£132	Do. 10¼pc Cnv 89-91	£132	.....	Q10¼%	5.0	f8.2	—
200	145	Rowton Hotels	173	−2	7.0	0.7	5.8	(41.3)

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

Financial Times Thursday November 10 1983

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
60	35	McKean & Scott Hldgs	48	−1	M1.0	—	2.2	—
23	9½	Keep Trust 5p	12	−½	t0.15	—	—	—
210	140	Kelsey Inds	185		8.0	1.7	6.2	12.7
155	110	Kershaw (A.) 5p	140		t15.0	0.6		
80	39	Kleen-E-Ze Hldgs	70		3.0	8.5	6.1	
101	52	L.C.P. Hlds	87	−1	3.6	1.2	5.9	
32	14	LDH Group	26	−1				
[illegible]								

LEISURE—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
100	40	Black & Edgtn	72		4	—	8.2	19.1
178	118	Boosey & Hawkes	160xd					
61	32	Campari Int. 20p	40					
170	160	Central TV	160					
[illegible]								

PROPERTY—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
49½	35	Marlborough 5p	49½		t0.45	3.3	1.3	27.9
102	63	Marler Estates	94		2.0	4.0	3.0	9.0
60	32	McInerney 10p	56					
127	97	McKay Secs. 20p	115		3.4	2.0	4.2	17.1
[illegible]								

INVESTMENT TRUSTS-Cont.

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
88	58	F. & C. Eurotrust	82		1.55	1.1	2.7
154	124	Family Inv. Tst	146		6.3	1.0	6.2
270	220	Fashion & Gen 5p	255		12.0	1.0	6.7
[illegible]							

OIL AND GAS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
187	125	Burmah £1	150xd	+1	19.0	1.8	8.6	7.9
[illegible]								

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17½	−½	—	—	—
52	32	Allstate Expln NL	40		—	—	—
40	9	♥Australis Mng. NL	25		—	—	—
25	11	Balmoral Resources	15		—	—	—
60	34	♥Black Hill Mins	35		—	—	—
85	51	♥Bond Corp	71	+1	Q10c	ϕ	9.1
183	116	♥Bougainville 1 Kina	144		mQ3.21	1.2	1.4
372	204	♥CRA 50c	354	+3	tQ3c	—	0.5
145	60	♥Carr Boyd 20c	66	−2	—	—	—
38	25	♥Central Kalgoorlie	35		—	—	—
43	18	♥Central Pacific	24		—	—	—
[illegible]							

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible] annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xk ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv. 20p	62	......	Fin. 13% 97/02	£95	+⅛
Bdg'wtr Est. 50p	295	......	Alliance Gas	70	−5
Craig & Rose £1	£10½	......	Arnott	210	+5
Finlay Pkg. 5p	35	......	Carroll (P.J.)	98	−1
Higsons Brew	83	......	Concrete Prods.	75	......
Holt (Jos) 25p	910	......	Helton (Hldgs.)	17	+1
I.O.M. Stm. £1	130	......	Irish Ropes	34½	......
IRISH			Jacob	83	......
Exch. 12% 1985	£99	......	T.M.G.	85	......
Nat 9¼% 84/89	£88⅝	+¼	Unidare	75	......

OPTIONS

3-month Call Rates

Industrials

House of Fraser 20 | Utd Drapery 22

[illegible]

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Authorised Units—continued

Atlanta Unit Trust Managers Ltd
1 Founders Ct, Lothbury, EC2. 01-600 8664

Jap & Far East	—	50.0	....	1.0

Baillie, Gifford and Co Ltd
3 Glenfinlas St, Edinburgh. 031-225 2581

JapExNov9	140.3	147.7	+4.2	0.34
IntEx*Nov2	224.6	237.2	....	1.52
BGPPn†D15	214.2	225.5	....	—

†Next dealing day.
*Unauthorised.

Equity & Law Un Tst Mngrs (a) (b) (c)
Amersham Rd, High Wycombe. 0494 33377

Euro Tst Acc	60.3	64.8	....	1.41

Robert Fleming & Co Ltd
8 Crosby Square, EC3A 8AN. 01-638 5858

AmExFd*	£257.53	263.31	....	0.89
JapExFd*	£159.56	164.65	....	1.16

Next subscription day Nov 1 1983.
*Fleming American Property Unit Trust.
Latest issue price (15/11) US$10.621.
Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust.
Latest issue price (29/9) £2.070.
Units are issued on March 25, June 24, Sept 29 & Dec 25.
*Unauthorised.

Guardian Royal Ex Unit Mngrs Ltd (a)
Royal Exchange EC3V 3LS. 01-638 2020

Gilt & Fixed	114.9	119.4	+0.5	9.76
Growth Eq	100.2	107.8	+0.6	2.54
Guardhill	182.7	189.3	+0.6	3.35
Nth Amer	92.8	99.8xd	+0.1	1.88
Pacific	102.7	110.5xd	+0.9	0.38
Prop Shares	103.3	111.1	−0.5	2.09
Smaller Cos	106.0	114.0xd	+0.8	2.11

H.S.L. Unit Trust Mngrs Ltd (a) (c) (g)
Premier NT Admin, 5 Rayleigh Rd, Hutton, Brentwood, Essex. 0277-227300

SmllrCos Tst	51.7	54.4	+0.2	4.34

Nth Amer	47.6	50.1	−0.1	1.58
Japan Far Tst	53.0	55.8xd	+0.2	1.31
Scandinvn Tst	47.2	49.7	−0.4	1.51

Hexagon Services Ltd
4 Gt St Helens, London EC4P 3EP. 0708 45322

AustnFrs	107.2	112.9	....	2.50
Brewin Cap	80.9	85.2	+0.4	0.61
Brewin Int	74.8	78.8	+1.4	3.99
Canada Grw	107.5	115.6	+2.2	0.98

Lawson Fund Managers Ltd (a) (c) (g)
43 Charlotte Sq, Edinbgh 2. 031-225 6001

Charitt Sq Fd	52.5	54.5	....	4.8
Pen Shr Fd	13.6	14.6	....	7.8
Aust & Pac	8.1	9.0	+0.4	0.6
High Yield	19.2	20.7xd	....	10.4
Do Accum	21.3	22.8xd	....	10.4

MGM Unit Managers Ltd
MGM House, Heene Road, Worthing. 01-623 8211

High Inc	123.0	132.3xd	....	6.88
(Accum Uts)	129.0	138.6xd	....	6.88
UK Growth	118.8	127.7xd	−0.2	3.17
(Accum Uts)	120.2	129.3xd	−0.2	3.17

MLA Unit Trust Management Ltd
Old Queen St, SW1A 9JG. 01-222 8576

MLA Uts	186.4	195.6	....	2.74
MLA Itn	28.0	29.3	....	0.85

The Money Market Trust
63 Qn Victoria St, EC4N 4ST. 01-236 0952

Call Fund	—	—	....	8.80
7 Day Fund	—	—	....	8.95

*Unauthorised—Sterling Deposit Fund.

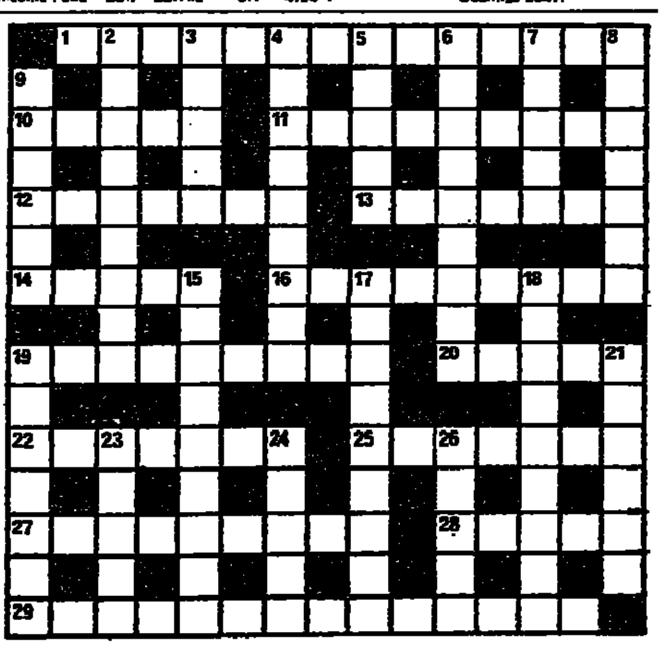
Scottish Unit Managers Ltd
29 Charlotte Sq, Edinburgh. 031-226 4372

Pacific Fund	25.1	27.2	+0.1	0.30
World Growth	22.8	24.7xd	−0.1	2.42
Nth. Amer	23.8	25.8	−0.1	0.37
Income Fund	23.7	25.7xd	−0.1	4.94

Offshore and Overseas—continued

Insurances—continued

F.T. CROSSWORD PUZZLE No. 5,265



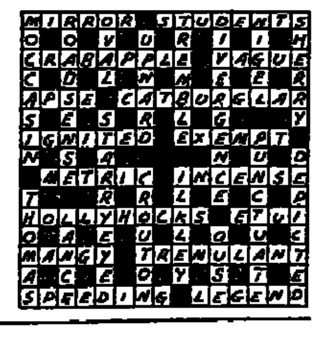
ACROSS

1 Board takes action in response to challenge (14)
10 One can get clean out from bunker if left hand controls club (5)
11 Explain why broken bale has zero value (9)
12 Precipitate advance (7)
13 Became anxious with wife not standing around (7)
14 He makes an effort in Germany (5)
16 And be as it may be, went without (9)
19 Organises the troops (9)
20 Figure how to turn the bed over (5)
22 Tries one out of the rescuers . . . (7)
25 . . . for quarter-final in charge of stretcher (7)
27 A day in the forest reveals fine timber (9)
28 Proverb from the Christian era (5)
29 To get under control I had a break and showered (14)

DOWN

2 Bad time of year for children (9)
3 Lacks the requirements (5)
4 Watches procession with weary pupils (3-6)
5 Intends to get the facilities (5)
6 A warning on the course stated what was mentioned previously (9)
7 International group has a small point but it's not appropriate (5)
8 Improved measure gets finalised (7)
9 Loan acknowledgement (6)
15 Smuggler makes unusual courier (3-6)
17 Spurs need to make changes, to pull their socks up (9)
18 Adjusting the margin is a frightening experience (9)
19 Is opposed but is returned during the holidays (7)
21 Watch for the one who puts a mark of approval on? (6)
23 It's important to be lively (5)
24 Notices the stains (5)
26 Used to count on a taxi turning up before one (5)

Solution to Puzzle No. 5,264



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd.		233.17	....	—
Managed Inc. Fd.	156.86	165.12	....	—
Property Fd.	151.46	159.44	....	—
Fixed Interest Fd.	146.09	153.78	....	—
Cash Fd.	136.49	143.68	....	—
Income Fd.	168.36	177.22	....	—
Extra Income Fd.	160.75	169.22	....	—
Worldwide Growth Fd.	279.35	290.90	....	—
Balanced Fd.	167.80	176.64	....	—
Smlr Co's & Recv. Fd.	198.34	208.78	....	—
Int. Technology Fd.	250.82	264.03	....	—
Nth. Amer. & Gen. Fd.	157.88	166.19	....	—
Energy Int. Fd.	100.47	105.76	....	—
Pacific Basin Fund	135.41	142.54	....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112.1	118.0	....	—
Property	112.1	118.0	....	—
Equity	113.6	119.6	....	—
International	126.6	133.3	....	—
Fixed Interest	101.8	107.1	....	—
Deposit	99.5	104.7	....	—
Managed Pen. Cap.	112.3	118.2	....	—
Property Pens. Cap.	112.4	118.3	....	—
Equity Pens. Cap.	107.6	113.2	....	—
Intnl. Pens. Cap.	131.4	138.3	....	—
Fixed Int. Pens. Cap.	99.2	104.4	....	—
Deposit Pens. Cap.	97.3	102.5	....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Nov 2		91.5	....	—
Rumt. Fed. Aug 6		255.4	....	—
Managed Pen Fund	168.9	177.5	....	—
Property Pen Fund	114.2	120.2	....	—
Index Linkd Pen Fund	112.4	118.3	....	—
Managed	120.2	126.6	....	—
Property	104.2	109.7	+0.1	—
Gilt and Fixed Interest	106.9	112.6	+0.2	—
Index-Linked	98.6	103.8	+0.1	—
Equity	118.4	124.7	....	—
Cash	104.0	109.5	....	—
Midland Bk. Unit Tst.	116.4	122.6	+0.1	—
Midland Bank Intnl.	136.8	144.1	....	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£37.49	—	+0.08	—
Property Units	£17.28	—	+0.01	—
Equity Bond/Exec	£24.39	25.61	+0.01	—
Prop. Bond/Exec.	£22.58	23.89	+0.01	—
Bal. Bd./Exec/Unit	£23.31	24.67	+0.04	—
2nd Equity Acc.	190.4	201.5	+0.1	—
2nd High Inc/Acc	149.0	157.7	+0.3	—
2nd Property Acc	172.4	182.4	+0.1	—
2nd Managed Acc.	169.0	178.8	+0.3	—
2nd Deposit Acc	144.8	153.2	....	—
2nd Gilt Acc.	143.4	151.7	+0.3	—
2nd American Acc.	181.9	192.5	+0.4	—
2nd Intl Money Acc	141.4	149.6	+0.1	—
2nd Index Acc	99.5	105.3	+0.3	—
2nd Far East Acc.	92.4	97.8	+0.4	—
2nd Eq. Pens./Acc.	264.9	280.3	+0.2	—
2nd Hi Inc Pens/Acc.	157.1	166.2	+0.4	—
2nd Prp. Pens/Acc	220.3	233.1	....	—
2nd Mgd. Pens/Acc	213.8	226.2	+0.4	—
2nd Dep. Pens/Acc	190.1	201.2	....	—
Gilt Pens/Acc.	185.3	196.1	+0.4	—
2nd Am. Pens/Acc	238.4	252.3	+0.8	—
2nd Intl MoneyPens/Acc	171.1	181.1	+0.3	—
2nd Index Pens./Acc.	105.3	111.4	+0.3	—
2nd Far East Pens/Acc.	92.4	97.8	+0.4	—
L & E S.I.F.	72.5	76.3	....	—
L & E S.I.F. 2	49.5	52.5	....	—

Current value at Nov 8.

Capital Life Assurance
24 Ludgate Hill, London EC4P 4BD

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	122.4	128.9	....	—
GT Pln High Yld Fnd	118.0	124.3	....	—
GT Plan Far East Fnd	131.8	137.7	....	—
GT Plan N. Am Fd.	132.2	139.2	....	—
GT Pln UK&G.E. Fnd	131.7	138.7	....	—
GT Pln Wrldwde Fnd.	129.6	136.5	....	—
GT Pension Bnd Fnd.	131.8	138.8	....	—
GT Pen High Yld Fd.	133.9	141.0	....	—
GT Pen Far East Fd.	135.4	142.6	....	—
GT Pen N. Am. Fd.	189.4	199.4	....	—
GT Pen UK & G.E. Fd.	152.8	160.1	....	—
GT Pen Worldwide Fd.	137.4	144.7	....	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	166.9	175.7	....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	246.2	—	....	—
Portfolio Fd. Inc.		202.8	....	—
Portfolio Fd. Cap.		235.0	....	—
Investment A uts.	246.1	259.1	....	—

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	267.4	281.8	....	—
Money Fd.	155.4	163.6	....	—
Equity Fd.	224.9	237.0	....	—
Fixed Int. Fd.	117.8	124.1	....	—
Property Fd.	172.1	180.3	....	—
Managed Pen. Fd.	250.9	264.4	....	—
Equity Pension Fd.	177.0	186.6	....	—
Fixed Int. Pen. Fd.	164.3	173.1	....	—
High Yield Pen. Fd.	162.1	170.8	....	—
Money Pension Fd.	128.4	135.1	....	—
Property Pension Fd.	127.3	134.1	....	—
Gresham/Framlington				
American & Gen. Fd.	247.1	260.4	+0.7	—
Income Fd.	182.1	191.9	....	—
Int'l. Growth Fd.	263.4	277.6	−0.9	—
Capital Fund	190.6	280.8	....	—
Recovery Fund	144.2	152.0	−0.3	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	£1,506	—	....	—
Landbank Secs.	65.56	—	....	—
Landbank Secs. Acc.	184.8	189.5	....	—
G. & S. Super Fd.	£11.307	—	....	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance				
Property Bonds	307.2	320.0	....	—
GRE Linked Assurance Ltd.				
Managed Initial	208.1	219.1	−0.8	—
Do. Accum.	231.4	243.6	−0.9	—
Equity Initial	258.1	271.7	−2.1	—
Do. Accum.	286.9	302.0	−2.4	—
Fixed Int. Initial	193.8	203.9	+0.4	—
Do. Accum.	215.4	226.7	+0.5	—
Intnl. Initial	209.1	220.1	−0.2	—
Do. Accum.	232.5	244.7	−0.2	—
North American Initial.	97.7	102.8	....	—
Do. Accum.	98.8	104.0	....	—
Pacific Accum.	95.2	100.2	+0.2	—
Index-Linked Gilt Init.	93.1	98.0	−0.1	—
Do. Accum.	94.2	99.1	−0.1	—
Property Initial	124.0	130.6	....	—
Do. Accum.	137.8	145.1	....	—
Deposit Initial	122.9	129.4	....	—
Deposit Accum.	136.6	143.8	....	—
GRE Pensions Management Ltd.				
Pens. Managed Initial	204.3	215.0	−0.6	—
Pens. Managed Acc.	222.0	233.8	−0.7	—

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey 0481-26521

Capital Reserve Fund	£16.98	17.00	..	0.24
C.I. Fund	324.0	345.1	....	2.32
Special Sits. Fund	128.0	134.8	....	2.15
Sterling Income Fund	110.3	114.9	−2.7	10.44
Dollar Income Fund	$1.030	1.076	−0.002	11.15
Trans. Nat. Trust	$1.149	1.210	−0.011	2.48
Intnl. Bond	$108.96	114.73	....	9.45
Int. Equity	$21.04	22.11	....	0.55
Int. Svgs. 'A' $US	$1.66	1.75	....	—
Int. Svgs. 'B'	$2.34	2.46	....	—
Galleon Ass. Fund 'A'	$1.131	1.136	....	—
Galleon Ass. Fund 'B'	$1.285	1.314	....	—
Amer. Spec. Accts.	$0.97	1.03	....	—

Henderson Admin. & Man. (Guernsey)
PO Box 71, St. Peter Port, Guernsey 0481 26541

American (US cents)	164.5	175.0	−2.1	—
Ntrl. Res. (U.S. cents)	121.2	128.9	....	—
Gilt Fund	£10.52	11.15	....	11.21
Prime Res. Props.	£1.01	1.08	−0.01	—

Henderson Baring Group
1901, Edinburgh Tower, Hongkong.

Australia	$9.22	9.94	....	—
Hong Kong	$9.18	9.84	−0.09	—
Japan Tech	$26.04	27.82	....	—
Japan Fund	$37.68	40.28	....	—
Malay Sing.	$21.20	23.30	−0.40	—
Pacific Fd.	$14.867	15.612	....	—
Pacific Intl Fd.	$9.67	10.15	+0.04	—
Bond Fd.	$10.821	11.362	....	10.50

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	238.6	308.7	+0.2	2.63

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029

UK Equities (C.I. Fd.)	195.5	209.2	....	2.5
UK Gilt (Jy. Fd. Int.)	111.0	117.0	....	11.0
Int. Man. (Growth Fd.)	168.2	180.0	....	—
Int. Currency Fund				
D Mark		DM42.78	+0.01	—
£ Sterling		£11.34	....	—

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, IoM 0624 23914

Con Trust	23.6	25.2	....	—
Diamond Bond	68.4	73.2	....	—
Gold Bond	244.3	259.5	−1.3	—
Sterling Deposit Bd.	171.08	180.04	+0.04	9.08
UK Gilt Fund	165.7	176.1	+0.6	—

Rothschild Asset Management (C.I.)
St. Julian's Ct., St. Peter Pt., Guernsey 0481 26741

OC America Fd.*	$3.58	3.72	....	1.17
OC Sm Co**	164.6	174.4	....	1.55
OC Commodity†	119.4	127.0	....	2.24
OC $ Comdty*	$34.63	36.70	....	1.88
OC Hongkng Gth†	HK31.28	33.27	....	—

*Prices Nov 7. Next dealing Nov 21. †Prices Oct 14. Next dlng Nov 14. ***Prices Oct 31. Next dlng Nov 15.

††Dealings every Wednesday

OC Intl Reserves Ltd. 0481-26741 26331

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Rothschild Australia Asset Mgt Ltd.
17 Bridge St., Sydney 2000, Australia

Five Arrows Aust. Eq.	A$1.42	1.45	....	6.9

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St. Peter Port, Guernsey 0481 23021

Intl Income Fd.	$9.67	10.29	−0.02	—
Intl Capital Fd.	$14.82	16.10	....	—
North America Fd.	$6.73	7.35	....	—
RBC Intl Currencies Fd Ltd				
U.S.$		$21.57	....	—
Canadian $		C$26.90	+0.01	—
£ Sterling		£10.87	....	—
D-Mark		DM51.39	....	—
Swiss Francs		SF40.99	+0.01	—
Japanese Yen		Y6,281	+1	—
Managed Fund		20.86	....	—

Daily Dealings.

Royal Trust Intnl. Fd. Mngt. Ltd
PO Box 194, St. Helier, Jersey. 0534 27441

Sterling Fxd Int Fd.	£0.845	0.895	+0.004	10.06
International Secs.	$1.070	1.151	−0.05	2.22
International Bond	$0.873	0.924	+0.008	10.39

Westavon Secs (Guernsey) Ltd
PO Box 214, St. Peter Port, Guernsey 0481 27768

Gilt & Option Fd.	£1.11	1.16	....	2.50
US $ Option	$1.00	1.05	....	—

World Wide Growth Management¢
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$12.06		−0.03	—

Inv. Adv.: M. & G. Inv. Mngt. Ltd. London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	22.2	23.1	....	—
Chinese Fund	66.0	67.6	....	—
Precious Metal Fund	118.6	123.5	....	—
Vanguard Cmdy. Fd.	35.2	36.1	....	—
Financial Futures Fd.	64.1	66.7	....	—
Wren Intl. Fnd.*	$0.458	0.477	....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ¢ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Pig farmers renew plea for more assistance

By Richard Mooney

BRITISH PIG producers are renewing their campaign for more Government help to reduce their costs and improve the competitive position of pigmeat relative to other meats, particularly lamb.

As a recent meeting a delegation from the National Pig Breeders' Association (NPBA) told Mr John MacGregor, Minister of State at the Ministry of Agriculture, that without fresh help many more producers would go out of business. Pig production had been very unprofitable for the past 18 months, they said, and was likely to remain so for at least another year unless the Government intervened.

An upturn in the price of pigs recently was welcome, the Minister was told, but it had been outpaced by a sharp rise in feed costs. Between October 1982 and October 1983 the average cost of feeding a pig rose by £5.25 while pig prices increased by only about £2.50 per animal, the NPBA claimed.

The cost/price balance could be improved by releasing onto the market some of the nearly 1m tonnes of feed grain currently in UK intervention stores, the delegation told Mr MacGregor. Other rescue measures they sought included modifications to the EEC sheepmeat regime, which resulted in "subsidised lamb undercutting pigmeat prices in the shops," and tighter veterinary controls on imported pig meat.

The Minister's response is not understood to have been very encouraging. While expressing sympathy with the NPBA plea he reminded the delegation that the Government had already provided private storage aids and export subsidies and had taken over the payment of veterinary inspection fees.

Rumours of high zinc stocks confirmed

By John Edwards

RUMOURS on Tuesday that U.S. zinc stocks rose sharply in October were duly confirmed yesterday. The American Bureau of Metal Statistics said stocks of slab zinc held by smelters rose to 17,199 short tons at end October compared with 11,532 tons at end September.

Production rose slightly in October to 26,532 tons, while deliveries fell by over 8,000 to 21,185 tons.

However, zinc prices on the London Metal Exchange, which fell sharply on Tuesday on rumours of the stocks rise, rallied strongly yesterday when the facts became known. Three months zinc rose by £7 to £584.25 a tonne recouping a large proportion of the previous day's loss.

Traders said buying interest returned on the belief that the market had been oversold and prices pushed too low. At the same time, many traders feel that a further boost will be provided by the U.S. Mint tender due today for the purchase of 25m lbs of special high grade zinc.

Zinc was also encouraged yesterday by the firmer trend in copper and the precious metals. They were all boosted by concern over the increased tension in the Middle East.

A Reuter report from Lima said that 1,000 workers had gone on strike at the Cuajone mine in Peru. The mine, owned by the Southern Peru Copper Corporation, accounts for more than 40 per cent of Peruvian production.

● Reuter reported from New York that a Phelps Dodge spokesman said the company will probably not comment until next week on industry speculation about its copper rod pricing policy.

EEC to consider mining strategy

BY PAUL CHEESERIGHT IN BRUSSELS

THE EEC should develop a mining strategy jointly with the countries of the developing world, according to the European Commission.

The commission has presented to the EEC Council of Ministers an outline of such a strategy, envisaging greater collaboration between producing countries, the Ten, mining groups and mineral consumers.

The strategy envisages the use of EEC funds to help the development of mineral resources in return for security of supplies. More than half the EEC mineral supplies are imported.

Such a strategy, in the commission's view, would be worked out within the framework of the Lome Convention, the trade and co-operation pact, with nearly 70 African, Caribbean and Pacific countries.

Negotiations for a new Lome Convention, to come into effect in 1985, have already started, but the commission does not see its mining strategy ideas as figuring in the discussions.

The commission document, although drawn up on the commission's initiative, reflects concern about the security of mineral supplies both in Brussels and national capitals.

This concern first became evident in 1976. Mining companies sought to focus attention on flagging mining investment in the Third World.

It was argued that the EEC could become dangerously dependent for key supplies on a narrow range of countries in problem political areas, such as Southern Africa.

More recently, the UK, France and West Germany have taken steps either to establish small mineral stockpiles or to offer investment concessions for mineral exploration outside the EEC. The U.S. has traditionally had a hefty stockpile.

Commission officials noted that the idea of a strategy was more dynamic and far-reaching than the existing system of financial help for Third World mineral producers embodied in the Lome Convention running from 1979 to 1984.

This is called Sysmin and has a budget for the five years of Ecus 280m. One per cent, 40 year loans are made largely for the rehabilitation of mining capacity. The eligible minerals are copper, cobalt, phosphates, manganese, bauxite tin, pyrites and iron ore.

Now the commission is suggesting that where the developing countries work out their own mining strategies, the EEC should help on the establishment of the necessary infrastructure, the development of production, including financial help, and assist with measures to make certain mines fit into a country's broader development.

Probably wisely at a time of financial stringency, the commission has not worked out any figures for its strategy.

India modifies position on cotton exports

INDIA is willing to compromise on its refusal to allow the export of 250,000 bales (of 160 kilos each) of cotton sold to European merchants earlier this year, Reuter reports from Bombay.

The report quoted traders as saying that the Indian Commerce Ministry was prepared to give permission for the contracts to be fulfilled provided there were price modifications.

Mr Malcolm Fairbrother, chairman of the Association of Cotton Merchants in Europe, said yesterday he had heard nothing. But in September the association had proposed a compromise offering to pay the current (much higher) market prices for 30 per cent of the total quantity of cotton involved.

He said India's recent decision to set export quotas for 1983/84 indicated no shortage of cotton for the domestic industry. It was, therefore, only a question of price.

Conrad Leslie predicts lower U.S. grain output

BY NANCY DUNNE IN WASHINGTON

PRIVATE CROP forecaster Conrad Leslie has predicted lower 1983 U.S. maize production and bigger soyabean yields than had earlier been expected.

In a new report published this week Mr Leslie pegged 1983 maize production at 4.1bn bushels, down 5 per cent from his forecast a month ago and down 3 per cent from the Department of Agriculture's (USDA) October estimate of 4.259bn bushels.

He said maize ending stocks for 1983-84 could sink as low as 490m bushels, down from the USDA's already low forecast of 625m bushels.

However, soyabean yields were estimated to be slightly better than had been predicted by the USDA last month. Ending stocks in 1983-84, as reflected by Mr Leslie's estimate and USDA's more recent usage projections, would total 131m bushels, compared with the Department's forecast of 120m. USDA is to release its own revised crop forecast late today.

Uncertainty about exports has been keeping wheat prices low, according to Merrill Lynch Futures. With shipments from June to September 79m bushels smaller than a year ago, there is considerable uncertainty that exports for the season ending May 31 will reach the 1.4bn bushels, which USDA projected.

According to Merrill Lynch, French wheat is eroding potential U.S. markets with sales to the Soviet Union

Despite the payment-in-kind programme, wheat supplies are plentiful and free stocks of wheat will actually be larger than a year ago, with a major part of the farmer-owned reserve stocks having been liquidated Merrill Lynch said. Cash wheat prices in the U.S. are averaging about $3.50 per bushel, below the Government loan rate of $3.65.

Cocoa disease reports trigger heavy buying

By Our Commodities Staff

RENEWED doubts about the size of the Ivory Coast cocoa crop sparked a new upsurge on the London futures market yesterday. Reports of black pod disease in the crop led to heavy buying which pushed the March position up £53 to £1,538.50 a tonne, the highest level for more than six weeks.

Expectations of poor West African crops following drought and bush fires early in the season kept cocoa prices up during the summer. But values fell back in the autumn as earlier pessimistic output estimates were revised.

At one time production in the Ivory Coast, the world's biggest cocoa producer, was forecast at under 300,000 tonnes, but later assessments lifted this to over 400,000 tonnes.

The appearance of black pod disease has caused traders to think yet again about the prospects for the Ivorian crop.

Amount of aid upsets fishing industry

By Richard Mooney

BRITISH FISHING industry leaders were disappointed yesterday when they discovered that the £4m of Government scrapping aid announced on Tuesday was actually worth only £2m.

A statement by Mr John MacGregor that "Parliamentary approval is being sought in the winter supplementary estimates for expenditure of £4m to provide for the payment of decommissioning grants to owners of fishing vessels," had been generally interpreted to mean that £4m was being provided from British exchequer funds and that a similar amount would be available out of Britain's £30-35m allocation within the EEC fishing industry restructuring plan.

It transpired yesterday, however, that £4m was the total planned allocation for this financial year, including the £2m which would be refunded to Britain by Brussels.

Mr Nigel Atkins, director-general of the National Federation of Fishermens' Organisations, said this revelation reinforced his concern expressed on Tuesday that the planned aid was insufficient to provide necessary inducements for decommissioning.

The EEC Commission has set a ceiling of £400 per gross registered tonne (of which it would provide 50 per cent) for scrapping aid. At this rate £4m would be equivalent to only about a dozen vessels in the near-obsolete distant water sector, which is the main target.

Stewart Fleming writes from Washington: Mr Michael Jopling, Agriculture Minister, said yesterday that the UK has considerable support within the European Economic Community for its opposition to proposals by the EEC Commission to impose a tax on oils and fats.

London sugar prices easier

By John Edwards

SUGAR PRICES eased on the London terminal market yesterday, in spite of official confirmation that Brazil has sold 750,000 tonnes to the Soviet Union for shipment between December and June next year.

The London daily price for raw sugar was cut by £2 to £143 a tonne and the March position of the futures closed £2.90 lower at £163.30.

The market was unsettled by a Reuter report from Manila firmly denying that the Philippines had been forced to import sugar because of the delay in its current crop.

A proopsal by Jorge Zorreguieta, the chairman of negotiations of a new International Sugar agreement, raised hopes of a breakthrough. The proposal attempts to resolve differences between the EEC and other major exporters on how to support prices.

Under his proposal, which was cautiously welcomed by Australia, Brazil and Cuba, the first action to support falling prices would be to withhold surplus stocks from the market. If prices continued to fall security stocks would be held at the next action point.

But those countries already holding surplus stocks would be able to count those stocks as security stocks at that stage.

Meanwhile, the EEC Commission at its weekly selling tender yesterday authorised the export of 57,500 tonnes of white (refined (sugar with a maximum export rebate set at 31.075 European currency units per 100 kilos. The rise in world sugar prices enabled the rebate to be lowered from last wek's level of 33.08 units on exports of 43,200 tonnes.

The British Sugar Corporation predicted that the UK crop would reach 1.1m tonnes.

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 9 1983	+ or —	Month ago
Metals			
Aluminium	£1050		£1050
Free Mkt	$1480/1510		$1600/650
Copper			
Cash h grade	£918.5	+5	£962.5
3 mths	£941.75	+5	£985.75
Cash Cathode	£902.25	+7.25	£935
3 months	£926.5	+7	£960.25
Gold troy oz	$383.375	+1.75	$394.875
Lead Cash	£267.25	−1.875	£275
3 months	£277.25	−1.125	£284.25
Nickel	£4646.54		£4646.54
Free mkt	205/225c		212/235c
Palladium oz	$149.50	—1	$144.75
Platinum oz	£260.95	+0.20	£266.15
Quicksilver†	$310-325		$320/330
Silver troy oz	602.95p	−6.25	681.05p
3 mths	616.80p	−6.70	696.30p
Tin cash	£8592.5	+2.5	£8616.5
3 month	£8705.5	+13	£8605.5
Tungsten	$78.85		$77.32
Wolfr'm 22.04 lb	$72/77		$79/83
Zinc Cash	£571.25	+6.75	£560
3 mths	£584.25	+7	£575.25
Producers	$925		$880

	Nov. 9 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$910y	+5	$855
Groundnut	‡		$1090
Linseed Crude	‡		‡
Palm Malayan	$660v	−2.5	$670
Seeds			
Copra Phil	$680x		$570
Soyabean (U.S.)	$341.25	−2.95	$338.5
Grains			
Barley Fut. Jan	£119.50		£119.80
Maize	£146.00		£144.00
Wheat Fut. Jan	£122.70	+0.05	£121.85
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1593	+62	£1495
Fut. March	£1538.5	+53	£1445.5
Coffee Ft. Jan	£1847.5	+5	£1892
Cotton A. Index	89.15c	+0.1	87.45c
Gas Oil. Dec	$257.25	+1	$250.75
Rubber (kilo)	78.75p		77.25p
Sugar (Raw)	£143y	−2	£160
Woolt'ps 64s	401p kilo		409p kilo

‡ Unquoted. u Dec. v Jan. x Dec-Jan. y Nov-Dec. † Per 76 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.35-28.45	−0.05
Iranian Light	27.95-28.00	—
Arabian Heavy	26.35-26.45	−0.05
North Sea (Forties)	29.10-29.45	−0.05
North Sea (Brent)	29.20-29.45	−0.15
African (Bonny Li'ht)	29.70-29.80	−0.02
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	297-303	—
Gas oil	254-260	−1.0
Heavy fuel oil	169-175	−0.5

GAS OIL FUTURES

A steady opening was caused by a greater-than-expected U.S. heating oil stock drawdown, but a large build-up in crude stocks prevented any follow through and prices began to ease back. A strong New York opening failed to affect London, which continued to trade at the lower end of the day's range, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov	255.75	+0.50	254.75-55.75
Dec	257.25	+1.00	258.00-57.00
Jan	257.50	+1.00	258.25-57.50
Feb	256.50	+1.25	257.25-56.50
Mar	251.50	+1.00	252.00
April	247.00	+1.25	249.00-47.00
May	244.00	+1.80	—
June	244.00	+1.50	—
July	243.00	+0.50	—

Turnover: 2,212 (1,599) lots of 100 tonnes.

GOLD MARKETS

Gold rose $1⅜ an ounce from Tuesday's close in the London bullion market yesterday to finish at $383-383¾. The metal opened at $378¼-379¼ and traded between a high of $383¼-384¼ and a low of $378¼-379. Gold improved from earlier levels, prompted by some short covering, with the dollar's weaker trend also helping to improve sentiment.

In Paris the 12½ kilo bar was fixed at FFr 99,900 per kilo ($381.54 per ounce) in the morning compared with FFr 100,000 ($381.75) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 32,830 per kilo ($381.48 per ounce) against DM 33,100 ($384.02) and closed at $383-383½ from $382-382½.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was fixed at $379.90 from $382.80.

In Zurich gold closed at $382-385 from $381-384.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Nov	382.00-86.00	+2.000	—
Dec	385.10-85.3	+1.050	385.60-80.4
Feb	391.00-91.4	+1.000	391.10-86.5
April	397.40-97.9	+1.050	—
June	403.00-04.5	+0.800	—
Aug	409.00-11.9	+0.850	—

Turnover: 635 (513) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Nov. 9		Nov. 8	
Close	$383-383¾	(£258-258½)	$381¼-382	(£257-257½)
Opening	$378¼-379¼	(£255½-256)	$383-383¼	(£258¾-259¼)
Morning fixing	$380.50	(£256.676)	$382.15	(£257.739)
Afternoon fixing	$383	(£257.789)	$382.25	(£257.756)

Gold and Platinum Coins Nov. 9

Krugrnd	$394½-396	(£265¾-266¼)	King Sov	$93-94½	(£62½-63½)
½ Krg	$203¼-204	(£137-137½)	Victoria Sov	$93-94½	(£62½-63½)
¼ Krg	$103½-104¼	(£69¾-70¼)	French 20s	$73¼-76¼	(£49½-50¼)
1/10 Krug	$42¼-43	(£28½-29)	50 pesos Mex	$459-461	(£309¼-310½)
Mapleleaf	$394¼-394¾	(£265½-266)	100 Cor. Aust	$370-374	(£249¼-252)
New Sov	$90-90¾	(£60¾-61¼)	$20 Eagles	$540-550	(£363¾-370½)
½ New Sov	$54-54¾	(£36½-36¾)	Noble (Plat)	$398¼-403	(£268½-271½)

EUROPEAN MARKETS

ROTTERDAM, November 9.

Wheat—(U.S.$ per tonne): U.S. Two Red Winter Dec 161, Jan 163, Feb 164.50, March 166.50. U.S. Northern Spring 14 per cent protein Nov 186, Dec 188, Jan 195, Feb 195, March 195, April-May 181.50. U.S. Three Amber Durum Nov 206, Nov-Dec 206, April-May 207. Canadian Western Spring Nov 15-Dec 15 215, April-May 219.

Maize—(U.S.$ per tonne): U.S. Three Yellow afloat 163.50, Nov 163.50, Dec 164, Jan-March 165, April-June 165.50 sellers. Argentine Plate afloat 173.50, mid Nov-mid Dec 178 sellers.

Soyabeans—(U.S.$ per tonne): U.S. Two Yellow Gulfports Nov 335.25, Dec 338, Jan 341.50, Feb 346.50, March 359.75, April 352, May 353, Oct 273, Nov 273, Dec 276.75, Jan 281 sellers. Argentine afloat 331.25 sellers.

Soyameal—(U.S.$ per tonne): 44 per cent afloat 269, Nov 273, Dec 277, Jan 282, Jan-March 284, April-Sept 277.50, Nov-March 1984 238 sellers. Pellets Brazil afloat 288, Nov 295, Dec 300, Jan 311, Feb 315.50, March 317.50, April-Sept 285, Oct-Dec 1984 249.50 sellers. Pellets Argentine afloat 279 to 283 (depending on position), Nov 283, Dec 288, Jan 296.50, Jan-March 298, May-Sept 284 sellers.

PARIS, November 9.

Cocoa—(FFr per 100 kg): Dec 1820-1835, March 1851-1858, May 1890-1900, July 1910 bid, Sept 1930 bid, Dec 1950 bid, March 1970 bid.

Sugar—(FFr per tonne): Dec 1915-1920, March 2070-2084, May 2145-2150, Aug 2230-2245, Oct 2306-2315, Dec 2345-2360.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Copper lost ground in early trading on hedge selling but rallied to close at £942.5, after £944, following the afternoon rises in gold and silver. Zinc was strongly supported throughout the day and closed at £583.75. Lead moved in a narrow range, as did Tin, Aluminium and Nickel.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	909-10	+4.75	918-9	+5
3 months	934-.5	+6.25	941.5-2	+5
Settlem't	910	+5	—	—
Cathodes				
Cash	892-4	+7	902-.5	+7.25
3 months	915-7	+6.5	926-6	+7
Settlem't	894	+7	—	
U.S. pro'd	—	—	*66-73	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £910.50, three months £936, 37, 36, 35.50, 35, 34.50, 34, 34.50. Kerb: Higher Grade: Three months £935, 36, 37. Afternoon: Higher Grade: Three months £942, 42.50, 43, 43.50, 44, 43.50, 44, 43.50, 43, 42.50, 42. Cathodes: Cash £901, 02, three months £925. Kerb: Higher Grade: Three months £942, 43, 42, 41.50, 41, 40, 40.50, 41, 41.50, 42. Turnover: 30,825 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8750-60	+32.5	8760-80	+32.5
3 months	8735-40	+10	8740-50	+22.5
Settlem't	8760	+35	—	.....
Standard				
Cash	8595-600	+5	8590-5	+2.5
3 months	8709-10	+17	8705-6	+13
Settlem't	8600	+5	—	.....
Straits E.	‡330.05	+0.01	—	.....
New York				

Tin—Morning: Standard: Cash £8,600, three months £8,700, 05, 8,700, 03, 05, 08, 09. High Grade: Three months £8,735, 40. Kerb: Standard: Three months £8,710, 05. High Grade: Three months £8,735. Afternoon: Standard: Three months £8,706, 08, 07, 05, 06. High Grade: Three months £8,737, 40. Kerb: Standard: Three months £8,705. Turnover: 800 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	268-.25	+1.25	267-.5	-1.87
3 months	277.75-8	+1	277-5	-1.12
Settlem't	268.25	+1.25	—	.....
U.S. Spot	—	.....	*25-9	.....

Lead—Morning: Cash £268, three months £278, 77.50, 78, 77.75. Kerb: Three months £278. Afternoon: Three months £279, 78.50, 78, 77.50, 77. Kerb: Three months £277, 76.50. Turnover: 12,825 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	568-.9	+10.2	571-.5	+6.75
3 months	581-.5-2	+10.5	584-.5	+7
Settlem't	569	+10.5	—	.....
Prim w'ts	—	.....	*46-.73	.....

Zinc—Morning: Three months £576, 77, 77.50, 80, 81, 81.50, 82. Kerb: Three months £581.50, 82, 81. Afternoon: Three months £582, 83.50, 84, 84.50. Kerb: Three months £583, 83.50, 84. Turnover: 9,250 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	995-.6	+6	995.5-6.5	−2
3 months	1019-.20	+5.25	1020.5-1	−8

Aluminium — Morning: Cash £996, 95.50, three months £1,020, 19.50, 20, 20.50, 20. Kerb: Three months £1,020.50, 21. Afternoon: Three months £1,024, 24.50, 24, 23, 22.50, 22, 21.50, 21, 22, 21.50, 21. Kerb: Three months £1,022, 21, 21.50, 22, 23, 23.50. Turnover: 33,075 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3053-5	+27	3069-75	−8
3 months	3126-8	+26.5	3140-2	+.5

* Cents per pound. ‡ MS per kilo. † On the previous unofficial close.

Nickel — Morning: Three months £3,130, 40, 25, 28, 30, 28. Kerb: Three months £3,130. Afternoon: Three months £3,133, 35, 40, 39, 40. Kerb: Three months £3,143, 40. Turnover: 584 tonnes.

SILVER

Silver was fixed 6.25p an ounce lower for spot delivery in the London bullion market yesterday at 602.95p U.S. cent equivalents of the fixing levels were: spot 894.5c, down 8.8c; three-month 915c, down 9.5c; six-month 937.2c, down 9.9c; and 12-month 983.3c, down 10c. The metal opened at 598-600½p (886-890c) and closed at 611½-614p (908-912c).

LME Silver (2,000 oz contract) — Three months: 626.5p (623.75p). Turnover 0 (8) lots.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoff'ic'l	+ or —
Spot	602.95p	−6.25	611.5p	+0.5
3 months	616.80p	−6.70	625.5p	+1
6 months	629.45p	−7.00	—	.....
12 months	657.95p	−6.00	—	.....

Turnover 119 (95) lots of 10,000 oz. Morning: Large contract three months 617.0, 17.5, 18.0, 18.5, 19.0, 18.5, 18.7, 19.0, 19.5, 19.2. Kerb: untraded. Afternoon: three months 626.0, 26.5, 26.0, 25.5, 25.0, 26.0. Kerb: large three months 625.5.

COCOA

Following a steady opening futures moved sharply higher with commission house and trade buying combining to assist a rise of some £60 over the day. The steep increase in values however attracted only limited producer selling on a scale-up basis, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1536-39	+56.0	1548-498
March	1538-39	+53.0	1545-499
May	1543-44	+47.0	1550-08
July	1553-54	+49.0	1557-18
Sept	1559-60	+45.5	1563-27
Dec	1563-64	+39.0	1574-40
March	1573-77	+37.0	1561-67

Sales: 12,434 (4,767) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound). Daily price for Nov 9: 100.41 (97.13); five-day average for Nov 10: 96.87 (95.62).

COFFEE

London opened around £14 higher as due, but under trade and commission house pressure suffered a £20 reversal by the morning close, reports Drexel Burnham Lambert. Following a very strong New York opening London regained earlier losses but weakened again under renewed commission house selling. However, a re-emergence of bullish chart patterns aided a steady close on the March position.

COFFEE	Yest'day's Close	+ or —	Business Done
Nov	1846-55	+11.0	1862-42
January	1847-48	+5.0	1859-35
March	1831-32	+17.0	1831-06
May	1776-80	+10.5	1780-64
July	1748-57	+10.0	1748
Sept	1725-40	+15.0	—
Nov	1705-10	+7.5	—

Sales: 4,085 (2,503) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for Nov 8: Comp daily 1979 136.29 (135.49); 15-day average 135.88 (135.91).

GRAINS

Business done—Wheat: Nov 119.55-119.40, Jan 122.70-122.40, March 125.80-125.40, May 128.75-128.45, July 131.20-131.00, Sept 115.80 only. Sales: 323 lots of 100 tonnes. Barley: Nov 116.50 only. Jan 119.50-119.35, March 122.80-122.55, May 124.75-124.50. Sept untraded. Sales: 118 lots of 100 tonnes.

	WHEAT		BARLEY	
Mnth.	Yestrday's close	+ or —	Yest'day's close	+ or —
Nov	119.55	+0.10	116.60	−0.15
Jan	122.70	+0.05	119.50	—
Mar	125.60	+0.20	122.70	—
May	128.80	+0.15	124.55	−0.10
July	131.25	−0.15	—	—
Sept	115.90	−0.10	112.85	—

LONDON GRAINS—Wheat: U.S. dark northern spring No. 1 14 per cent Dec 140, Jan 141.75, Feb 142.50 transhipment east coast sellers. English feed fob Nov 122.25, Dec 125.25 east coast sellers. Maize: French late Nov 146, Dec 148 east coast sellers. Barley: English feed fob Dec 122 east coast Scotland seller. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: E. Midlands 116.20, N. East 117.50, Scotland 114.70. The UK Monetary coefficient for the week beginning Monday, November 14, is expected to remain unchanged.

Wheat and barley eased slightly but found strong shipper support later, reports Muirpace.

POTATOES

November expired with heavy selling pushing prices down to £142.00, with 70 lots intended for tender. Forward positions were steady following higher Dutch futures, but closed off the top on profit-taking, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Nov	142.00	166.00	157.00-142
Feb	187.00	183.00	185.00-186
April	219.00	214.60	222.50-218
May	225.00	219.30	227.00-223
Nov	79.00	79.00	—

Sales: 1,042 (678) lots of 40 tonnes.

RUBBER

The physical market opened unchanged, attracted little interest throughout the day and closed very quiet, reported Lewis and Peat. The Kuala Lumpur November fob price for RSS No. 1 was 259.0 (264.25) cents a kg and for SMR20 215.0 (213.0).

No. 1 R.S.S.	Yestday's close	Previous close	Business Done
	£ per tonne		
Dec	793-796	790-799	794
Jan	790-799	788-800	—
Jan-Mch	795-795	791-792	—
Apl-Jne	810-813	809-810	812-810
Jly-Sept	826-827	822-824	827
Oct-Dec	840-843	837-839	—
Jan-Mch	855-860	852-854	—
Apl-Jne	870-875	868-869	—
Jly-Sept	885-890	883-886	—

Sales: 15 (43) lots of 15 tonnes, 1 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 78.75p (same); Dec 80.00p (79.50p); Jan 80.25p (80.00p).

SOYABEAN MEAL

The market opened 50p down in quiet trading, reports T. G. Roddick. Prices firmed on commercial and commission house buying in active trade.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Dec	188.60-89.00	+1.40	189.00-88.00
Feb	196.00-96.50	+1.40	196.80-94.70
April	199.20-99.40	+1.60	199.20-95.40
June	194.50-99.00	+1.70	—
August	194.50-95.50	+1.50	—
October	180.00-84.50	+1.00	185.00-79.00
Dec	167.00-71.00	+1.25	170.00-68.00

Sales: 319 (59) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £143.00 (£145.00) a tonne for Nov-Dec shipment. White sugar £155.00 (£155.50).

Buying interest was lacking and prices fell over the day, reports C. Czarnikow.

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Dec	156.00-56.50	157.50-58.00	157.00-54.00
Mar	163.60	166.20	167.00-61.75
May	168.00-68.25	171.00-71.20	171.75-67.60

Sales: 3,397 (5,334) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £251.25 (£253.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for Nov 8: Daily price 8.78 (8.57); 15-day average 8.83 (8.82).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 389 tonnes. Moderate trading developed with Central and South American growths in request. Users also wanted East and West African varieties.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 548.5, 549.0, 551.2-548.0; March 565.5, 568.0, 568.0-565.5; May 579.0, 581.0, 581.2-580.0; July 593.0, 594.0, untraded; Oct 588.0, 589.0, untraded; Dec 597.5, 597.5, 600.5-597.5; March 612.0, 616.0, untraded; May 617.0, 624.0, 621.0. Sales: 180.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 409, 411, 410; Jan 410, 412, nil; March 413, 414, 414; May 419, 422, 421-420; Aug 435, 437, 436-435; Oct 436, 438, nil; Dec 438, 440, nil; Jan 438, 442, nil; March 448, 450, 446; May 452, 456, 446. Sales: 32.

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 98.63p per kg lw (+1.35). GB—Sheep 124.20p per kg est dcw (−1.01). GB—Pigs 74.60p per kg lw (−1.43).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 81.7-87.0; Ulster hindquarters 94.5-99.5, forequarters 55.5-60.0. Veal—Dutch hinds and ends 138.5-143.5. Lamb—English small 58.0-61.7, medium 55.7-58.5, heavy 53.3-55.3; Imported: New Zealand PL 59.0-60.0, PX 58.5-57.5. Pork—English under 100 lb 47.5-55.0, 100-120 lb 47.5-53.0, 120-160 lb 44.0-49.6.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.60-£6.00, codlings £4.40-£5.00; large haddock £4.20-£4.80, medium £3.00-£3.80, small £2.20-£2.60; medium plaice £5.50-£6.00, best small £4.00-£5.00; skinned dogfish (large) £6.00, (medium) £3.50-£4.00; lemon sole (large) £12.60, (medium) £8.00; rockfish £2.40-£4.10; reds £3.00; saithe £2.10-£3.00.

INDICES

FINANCIAL TIMES

Nov. 8	Nov. 7	M'th ago	Y'ar ago
285.67	829.17	287.13	229.91

(Base: July 1 1952=100)

REUTERS

Nov. 9	Nov. 8	M'th ago	Y'ar ago
1893.8	1889.4	1885.6	1524.7

(Base: September 18 1931=100)

MOODY'S

Nov. 8	Nov. 7	M'th ago	Yearago
1008.4	1010.4	1045.1	979.4

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Nov. 8	Nov. 7	Month ago	Year ago
Spot	135.66	135.22	139.98	122.85
Fut's	143.97	143.34	146.06	134.97

(December 31 1931=100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Satsumas—Spania: 3.00-3.80. Oranges—Spania: 42/48/54/60 7.00-7.40, 70/80/90 6.80-7.20, 100/110/120 6.50-6.80; Outspan: Valencia lates 56 7.70, 72 7.70, 88 7.60, 112 6.60, 138 6.30, 150 5.30; Brazilian: Valencia lates 5.00-5.50; Uruguayan: 5.00-5.20. Lemons—Italian: Carton 6.00-6.50; Turkish: 4.50-5.00; Cyprus: 10 kg boxes 4.00-5.00; Greek: 10 kg 4.00-4.60, 15 kg 6.60-7.50; Spania: 5 kg 2.60-2.80; Jaffa: 15 kg 4.50-6.25. Grapefruit—Cuban: 4.00-4.20, pink 6.00; Jaffa: 32 5.80, 38 6.00, 40 6.20, 48 5.95, 56 5.65, 64 5.40; U.S.: Ruby 9.80-10.80; Cyprus: 40/48 5.00, 56/64 4.60. Apples—French: Golden Delicious Carton 6.80-7.50, Granny Smith carton 7.80-8.50; Starkcrimson, carton 6.80-7.20; Italian: 21 kg Golden Delicious 6.00, Starking 6.50; Hungarian: Red Delicious 19 kg approx 7.00-7.20; U.S.: Red Delicious new season carton 12.50-13.50. Pears—Italian: Williams 0.22-0.25. Grapes—Italian: per lb, Italia 0.30-0.36; Spanish: Italia 0.32-0.36, Almeria 0.20-0.22, Napoleon 0.25-0.27. Melons—Spanish: 10 kg green 3.00-4.00; Galia small tray 4.00-5.00; Israeli: Galia 4.00-6.50, Ogen 4.00-5.00. Bananas—Colombian: 40 lb boxes 10.30-10.50. Avocados—Canary: 3.30-3.50; Israeli 3.50-3.70. Pineapples—each: Ivory Coast 0.45-1.60; Cape 0.60-1.30; Brazilian 1.00-1.20. Paw paws—Brazilian 6.00-6.50. Mangoes—Kenyan: 8.00-8.50. Fennel—Italian: 9 kg 4.00-4.50. Figs—Smyrna: 48s x 8 oz 9.20-9.60. Kiwifruit—New Zealand: 6.00-6.20. Tomatoes—Spanish: tray 3.70-3.80; Canary: tray 3.50-3.80; Dutch: tray 3.70-3.80. Beefsteak 5.40-5.50. Aubergines—Dutch: 5 kg 6.20, 6.50; Kenyan: 4.50; Canary: 3.00-3.50; Israeli: 6.20; Cyprus: 3.00-3.20. Onions—Spanish: 25 kg nets Zaragoza 5.20-5.40; Dutch: 50/70 mm 4.00-4.20; Hungarian: 4.30; Polish: 4.60-4.80. Capsicums—Dutch: Yellow 5.20-5.50, green 4.00, red 4.00-4.60; Israeli: green 4.00, yellow 4.00; Spanish: green 3.00, red 3.50; yellow 3.50. Cabbages—Dutch: Red 5.60, white 5.80-6.00. Sugar Peas—Kenyan: per lb 1.40-1.60. Persimmons—Italian tray: 3.00-3.20. Globe Artichokes—French: 24s 8.80-9.00.

Lettuce—Dutch: Trays 24's 3.80-4.40. Cucumbers — Tray, Dutch: 3.60-3.90; Canary: 2.80-3.20; Greek: 2.40-2.60. Courgettes—French: Per pound 0.38-0.40. Chestnuts—Italian: 22 lb 5.50-10.50; Spanish: 11 lb 3.00-4.00. Dates—Packets x 30 0.55-0.62; packet x 24 0.40-0.45. Brazils — Large washed Manaos per pound 0.48. Walnuts—Chinese: Per pound 0.29-0.33; French Grenoble 0.60-0.65. Filberts—Sicilian: Per pound 0.30-0.32. Almonds—Ibiza: Semi-soft per pound 0.40-0.42. Pecans—U.S.: Per pound 0.85-0.90. Cranberries—U.S.: Pack x 18 6 oz 7.20, 24 x 12 oz 13.20. Pomegranates

English produce: Apples—Per pound Cox's 0.18-0.28, Russet 0.15-0.20, Spartan 0.15-0.20, Laxton's Superb 0.10-0.14, Bramley 0.14-0.22. Pears—Per pound Comice 0.18-0.20, Conference 0.10-0.18. Potatoes—3.80-5.20, Bakers 6.00-6.00. Mushrooms—Per pound open 0.70-0.90, closed 1.00-1.20. Lettuce—Per tray round 1.00-1.40, Iceberg per dozen 8.00-8.50. Onions — Per 55 lb 4.00-4.50. Cabbages—Per 25 lb Celtic 2.40-2.60, Jan King 2.60-2.80. Greens—28 lb Kent 1.80-2.00. Cauliflowers—12's Lincoln 2.00-3.00, Kent 3.00-3.50. Celery—3.00. Beetroots—28 lb 2.00-2.20. Turnips—28 lb 2.00-3.00. Swedes—28 lb 1.00-1.40. Leeks — Per pound 0.18-0.22. Carrots — 28 lb 1.00-1.80. Parsnips—28 lb 2.50-2.80. Sprouts—Per pound 0.14-0.17. Fennel—Per pound 0.25-0.30. Calabrese—Per pound Kent 0.35-0.45.

AMERICAN MARKETS

NEW YORK, November 9.

Precious metals were firm for most of the day; new speculative buying emerged after attempts to press the short side by locals failed— local selling in gold and silver on the close resulted in a mixed close with gold marginally higher and silver marginally lower. Copper rallied along with the early strength in the precious metals and was later supported by the news of a strike at a major copper mine in Peru. Heating oil rallied sharply on a constructive distillate stock report as well as on news of accelerating tensions in Lebanon and Iraq. Sugar prices were moderately lower on profit-taking following Tuesday's strength— there were unofficial indications that Brazil consumated the reported trade with the USSR. Cocoa prices rallied sharply reflecting a good inquiry for physicals in addition to solid technical support. Coffee prices closed depressed by large-scale profit-taking as producer selling became apparent. Cotton prices traded strongly in expectation of a bullish government crop report this week until late profit taking turned gains into nominal losses. Grains and soyabeans opened weak but traded higher most of the day as the markets took notice of a constructive private crop production estimate, late selling by the local trade and commercial hedging resulted in nominal gains only on the close, reported Heinold Commodities Ltd.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2138	2145	2095	2070
March	2150	2157	2110	2087
May	2165	2169	2132	2099
July	2177	2177	2149	2115
Sept	2190	2190	2170	2141
Dec	2202	2202	2195	2151
March	2225	2225	2225	2178

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	147.17	49.13	46.35	146.10
March	143.00	44.20	42.00	142.65
May	138.45	39.13	37.50	137.97
July	135.75	36.25	35.00	135.50
Sept	133.55	33.25	32.75	133.30
Dec	131.13	32.00	32.00	131.50
March	129.50	—	—	129.60

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Nov	61.45	—	—	61.10
Dec	61.80	62.15	61.70	61.50
Jan	62.50	62.60	62.50	62.15
March	63.75	64.05	63.70	63.45
May	65.00	65.30	64.95	64.70
July	66.30	66.60	66.25	66.00
Sept	67.60	67.90	67.55	67.35
Dec	69.65	70.00	69.75	69.40
Jan	70.35	—	—	70.10
March	71.65	72.00	71.80	71.40

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	80.07	80.65	80.00	80.17
March	81.76	82.36	81.70	81.77
May	82.78	83.00	82.70	82.57
July	82.80	83.14	82.65	82.74
Oct	76.90	77.10	76.80	76.75
Dec	75.30	75.49	75.20	75.22
March	76.40	76.75	76.50	76.00

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	381.8	383.2	381.8	381.3
Dec	383.5	386.0	382.8	383.0
Feb	389.8	392.3	389.0	389.3
April	396.3	398.5	395.5	395.8
June	403.0	405.0	402.0	402.5
Aug	409.8	412.0	411.3	409.4
Oct	416.9	419.0	417.8	416.5
Dec	424.2	425.6	424.1	423.8
Feb	389.8	392.3	389.0	389.3
April	439.3	—	—	438.9
June	447.2	—	—	446.9
Aug	455.5	—	—	455.1
Jan	386.6	—	—	386.1

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Dec	83.15	83.50	83.06	82.81
Jan	83.25	84.10	83.20	83.10
Feb	82.91	83.55	82.80	82.75
March	80.79	81.40	80.75	80.75
April	79.30	79.75	79.30	79.00
May	78.00	78.30	78.10	77.70
June	76.80	—	—	76.30
July	76.86	—	—	76.36
Aug	76.05	—	—	76.05
Sept	76.05	—	—	76.05

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	133.00	33.00	31.50	131.50
Jan	124.35	24.60	23.55	124.60
March	122.55	23.30	22.50	122.95
May	121.65	22.00	21.55	121.90
July	120.65	20.80	20.80	120.80
Sept	120.25	—	—	120.50
Nov	119.45	19.45	19.45	119.25
Jan	115.20	15.20	15.20	115.00
March	115.20	—	—	115.00

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	385.4	—	—	384.0
Dec	387.4	395.0	385.0	386.0
Jan	389.4	395.5	388.5	388.0
April	395.7	401.0	394.5	394.0
July	402.0	406.0	401.5	400.3
Oct	408.5	408.0	408.0	406.8
Jan	415.3	—	—	413.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Nov	893.0	905.0	900.0	900.5
Dec	897.0	920.0	896.0	905.0
Jan	904.5	922.0	919.0	912.7
March	920.3	943.0	915.0	928.0
May	936.3	960.0	948.0	944.0
July	952.3	976.0	968.0	960.2
Sept	968.4	994.0	993.0	976.6
Dec	993.9	1015.0	—	1001.6
Jan	1002.5	—	—	1010.0
March	1019.2	—	—	1027.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	9.36	—	—	9.05
March	9.76	9.82	9.62	9.91
May	9.95	10.10	9.92	10.20
July	10.22	10.38	10.21	10.47
Sept	10.45	10.57	10.45	10.71
Oct	10.63	10.79	10.60	10.84
Jan	10.90	10.99	10.89	11.10
March	11.56	11.70	11.65	11.82

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	61.02	61.32	60.80	61.10
Feb	60.97	61.35	60.90	61.27
April	63.20	63.50	63.00	63.45
June	64.87	65.05	64.70	65.12
August	63.55	64.00	63.55	63.90
Oct	62.00	62.25	62.00	62.20

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	42.35	43.20	42.30	42.75
Feb	46.42	47.30	46.35	47.05
April	46.52	47.65	46.50	47.45
June	51.60	52.45	51.52	52.17
July	53.60	54.00	53.20	53.90
August	53.00	53.55	53.00	53.12
Oct	52.35	52.40	52.25	52.30
Dec	53.40	53.65	53.40	53.65

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	359.0	360.6	358.0	357.4
March	359.6	361.4	352.0	359.4
May	358.4	361.4	358.0	359.2
July	354.4	358.0	354.2	355.6
Sept	324.2	327.4	323.4	324.4
Dec	299.6	303.4	299.2	302.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	61.65	63.75	61.55	63.05
March	61.97	63.95	61.90	63.32
May	63.90	65.60	63.80	64.87
July	64.97	66.45	64.92	65.72
Aug	63.20	64.90	63.12	63.90

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Nov	852.6	860.4	847.0	850.0
Jan	872.4	880.0	864.4	869.0
March	888.0	896.4	880.4	886.0
May	896.0	903.4	888.0	894.0
July	892.6	900.0	885.0	890.0
August	867.0	871.0	859.0	865.0
Sept	770.0	780.0	770.0	773.0
Nov	694.2	702.4	694.0	696.0
Jan	706.0	706.0	706.0	708.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	245.9	248.0	243.6	245.0
Jan	247.8	250.0	245.7	246.5
March	249.1	252.0	247.8	249.0
May	247.5	249.6	245.5	247.5
July	245.5	247.0	243.1	245.0
August	233.5	236.0	233.0	232.0
Sept	214.5	217.0	213.0	214.8
Oct	192.0	193.9	190.5	191.0
Dec	191.3	194.0	190.5	192.6
Jan	191.0	193.5	191.0	191.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	28.96	29.45	28.81	29.01
Jan	29.22	29.60	28.90	29.20
March	29.60	30.05	29.31	29.50
May	29.80	30.20	29.60	29.80
July	29.90	30.25	29.55	29.80
Aug	29.40	29.75	29.25	29.40
Sept	27.83	28.25	27.80	27.80
Oct	26.50	26.55	26.30	26.30
Dec	26.25	26.25	25.95	26.10

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	359.0	360.2	357.6	358.4
March	372.0	374.2	372.0	372.8
May	373.6	376.0	373.6	375.4
July	359.0	359.4	357.4	358.0
Sept	365.4	366.0	365.2	365.0
Dec	377.0	378.0	376.0	377.4

SPOT PRICES—Chicago loose lard 20.00 (same) cents per pound. New York tin 599.0-607.0 (597.0-604.0) cents per pound.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound drift lower

The dollar weakened slightly in quiet foreign exchange trading. Middle East tension continued to give an undercurrent of support to the currency, but traders were no longer too pessimistic about the Treasury 10-year note auction, and this tended to take the upward pressure off interest rates, pulling the dollar down at the same time.

Sterling was little changed against the dollar, and thus drifted lower against Continentals.

DOLLAR — Trade-weighted index (Bank of England) 127.9 against 121.7 six months ago. The dollar has been appreciating steadily in recent weeks and is once again at or threatening the record levels touched in August. Growing tension around the world is superting the currency, but an equally major factor is speculation that bunching of Treasury auctions, and an expected surge in the money supply will combine with inflationary pressures from strong economic recovery to prevent an easing in Federal Reserve monetary policy.

The dollar fell to DM 2.67 from DM 2.6770 against the D-mark; FFr 8.13 from FFr 8.1375 against the French franc; SwFr 2.17 from SwFr 2.1750 in terms of the Swiss franc; and Y235.55 from Y235.90 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.5235 to 1.4540. October average 1.4977. Trade-weighted index 83.9 all day, compared with 84.1 at the previous close, and 84.2 six months ago. The pound has drifted slightly against the dollar, but has tended to move up with the dollar against Continentals. This trend has been encouraged by unsettled conditions in the Middle East and the threat to Western oil supplies, plus fading hopes of further cuts in clearing bank base rates.

Sterling opened at $1.4815-1.4825, and after trading within a very narrow range closed five points higher on the day at $1.4845-1.4855. But the pound fell to DM 3.9675 from DM 3.9750; FFr 12.07 from FFr 12.0750; SwFr 3.2250 from SwFr 3.23; and Y350 from Y350.50.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. October average 2.6623. Trade-weighted index 125.9 against 130.0 six months ago. The D-mark is losing ground to the dollar once again, and if the present trend continues may soon threaten the 10-year low touched in August. Although German interest rates are relatively firm, partly reflecting concern about money supply growth, expectations that U.S. rates will remain high, coupled with concern about tension in the Middle East, have returned the dollar to favour.

The dollar was fixed lower at DM 2.6747 at yesterday's fixing in Frankfurt down from DM 2.6811 on Tuesday. Sterling was also lower at DM 3.9660 from DM 3.9720. There was no intervention by the Bundesbank at the dollar fixing with a lack of developments in the Middle East prompting some dollar selling.

BELGIAN FRANC—Trading range against the dollar in 1983 is 54.49 to 45.90. October average 53.63. Trade weighted index 90.2 against 94.0 six months ago. The Belgian franc has come under renewed pressure within the EMS after the dollar's decline from its August peaks. More recently however renewed dollar strength is serving to restrain any firmer trend by the Deutschemark and while the Belgian unit remains weak, it is unlikely to fall significantly

The Belgian central bank spent the equivalent of BFr 5.4bn in the week up to last Monday in exchange market operations. This was down from the previous week's figure of BFr 9.7bn and was raised principally through short-term credits from the European Monetary Cooperation Fund. At yesterday's fixing the Deutschemark rose to BFr 20.32 from BFr 20.3060 while the dollar slipped to BFr 54.34 from BFr 54.42. Sterling was lower at BFr 80.5925 from BFr 80.70.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9925	+2.43	+1.74	±1.5447
Danish Krone ...	8.14104	8.15962	+0.23	−0.46	±1.6425
German D-Mark	2.24184	2.25304	+0.95	+0.26	±1.0642
French Franc ...	6.87456	6.88640	+0.17	−0.52	±1.4052
Dutch Guilder ...	2.52595	2.53655	+0.42	−0.27	±1.4964
Irish Punt ...	0.72569	0.726800	+0.15	−0.54	±1.6699
Italian Lira ...	1403.49	1371.57	−2.27	−2.27	±4.1505

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Nov. 9	£	$		Note Rates
Argentina Peso...	24.74-24.80	16.68-16.70	Austria	27.80-28.10
Australia Dollar...	1.6260-1.6280	1.0950-1.0960	Belgium	81.10-81.90
Brazil Cruzeiro...	1,263.6-1,269.6	852-856	Denmark	14.24-14.38
Finland Markka...	8.4915-8.5120	5.7250-5.7300	France	12.02-12.14
Greek Drachma...	141.55-142.15	95.40-95.55	Germany	3.95¼-3.99¼
Hong Kong Dollar	11.59¾-11.61¾	7.8125-7.8175	Italy	2390-2420
Iran Rial...	129.65*	87.25*	Japan	349-354
KuwaitDinar(KD)	0.4335-0.4340	0.29195-0.29205	Netherlands	4.43-4.47
Luxembourg Fr.	80.55-80.65	54.28-54.30	Norway	11.01-11.11
Malaysia Dollar	3.48-3.49	2.3445-2.3465	Portugal	193-208
New Zealand Dlr.	2.2495-2.2545	1.5150-1.5175	Spain	225¼-238½
Saudi Arab. Riyal	5.1675-5.1720	3.4801-3.4804	Sweden	11.65-11.75
Singapore Dollar	3.1650-3.1750	2.1325-2.1345	Switzerland	3.21-3.24
Sth. African Rand	1.7390-1.7425	1.1710-1.1735	United States	1.47½-1.49½
U.A.E. Dirham...	5.4525-5.4580	3.6720-3.6730	Yugoslavia	196-218

* Selling rate.

CURRENCY MOVEMENTS

Nov. 9	Bank of England Index	Morgan Guaranty Changes%
Sterling	83.9	−7.0
U.S. dollar	127.9	+16.5
Canadian dollar	92.5	+1.0
Austrian schilling	116.2	+5.2
Belgian franc	90.2	−11.6
Danish kroner	79.6	−5.3
Deutsche mark	125.9	+7.4
Swiss franc	[illegible]	[illegible]
Guilder	115.6	[illegible]
French franc	67.1	−14.8
Lira	49.5	[illegible]
Yen	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Nov. 9	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.709622	0.570078
U.S. $	8½	1.05257	0.845995
Canadian$	9.48	*	1.045567
Austria Sch	3¾	19.8035	15.9216
Belgian F	9	57.1258	45.9925
Danish Kr.	7	10.1517	8.15962
D mark	4	2.81477	2.25304
Guilder	5	3.15395	2.53656
French F.	9½	N/A	6.88640
Lira	17	1706.98	1371.57
Yen	5	249.301	199.445
Norwgn Kr.	8	[illegible]	[illegible]
Spanish Pta	—	[illegible]	[illegible]
Swedish Kr.	8½	[illegible]	[illegible]
Swiss Fr.	4	[illegible]	[illegible]
Greek Dr'ch	20½	100.701	80.9956

* CS/SDR rate for Nov 8: 1.29970

THE POUND SPOT AND FORWARD

Nov 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4800-1.4865	1.4845-1.4855	0.04-0.09c dis	−0.52	0.24-0.29dis	−0.71
Canada	1.8310-1.8370	1.8340-1.8360	par-0.10c dis	−0.33	0.08-0.18dis	−0.28
Nethlnd.	4.43-4.46	4.44-4.45	1½-⅞c pm	3.04	3½-3 pm	2.92
Belgium	80.40-80.80	80.55-80.65	7c pm-3 dis	0.30	par-10 dis	−0.25
Denmark	14.27-14.31	14.28½-14.29½	0.95-2.20ore dis	−1.32	4.00-5.20dis	−1.29
Ireland	1.2710-1.2780	1.2730-1.2740	0.25-0.35p dis	−2.83	0.85-1.00dis	−2.90
W. Ger.	3.95½-3.98	3.96½-3.97¼	1½-⅞pf pm	3.40	3½-2⅞ pm	3.15
Portugal	188.00-189.25	188.25-188.75	170-410c dis	−18.46	565-1150dis	−18.20
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 81.30-81.40. Six-month forward dollar 0.52-0.57c dis. 12-month 1.05-1.15c dis.

THE DOLLAR SPOT AND FORWARD

Nov 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4800-1.4865	1.4845-1.4855	0.04-0.09c dis	−0.52	0.24-0.29dis	−0.71
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.75-54.80.

EXCHANGE CROSS RATES

Nov. 9	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.485	3.965	350.0	12.07	3.225	4.445	2402.	1.835	80.60
U.S. Dollar	0.673	1.	2.672	235.7	8.130	2.172	2.993	1618.	1.235	54.28
Deutschemark	0.252	0.374	1.	88.22	3.048	0.813	1.120	605.4	0.462	20.32
Japanese Yen 1,000	2.857	4.243	11.34	1000.	34.49	9.214	12.70	6863.	5.241	230.3
French Franc 10	0.829	1.230	3.287	290.0	10.	2.672	3.683	1990.	1.520	66.78
Swiss Franc	0.310	0.460	1.230	108.5	3.743	1.	1.378	744.6	0.569	24.99
Dutch Guilder	0.225	0.334	0.893	78.74	2.716	0.726	1.	540.4	0.413	18.13
Italian Lira 1,000	0.416	0.618	1.652	145.7	5.025	1.343	1.851	1000.	0.764	33.56
Canadian Dollar	0.545	0.809	2.163	190.8	6.579	1.758	2.423	1309.	1.	43.94
Belgian Franc 100	1.241	1.842	4.922	434.2	14.98	4.001	5.515	2980.	2.276	100.

FINANCIAL FUTURES

Dollar prices firm

Euro-dollar prices finished on a firm note in the London International Financial Futures Exchange yesterday. A good reception to the three-year note auction and similar optimism ahead of the 10-year auction helped to push values firmer together with expectation of a fall in this week's U.S. M1 money supply figures. There was also a softer feel in the cash market with Federal funds quoted at 9¼ per cent down from 9¾ per cent. A reduction of 10½ per cent from 10¾ per cent in Bankers Trust's broker loan rate probably came too late to affect trading as did the Fed's action to drain reserves through reverse repurchase agreements. The latter had to be seen in the context of occasional distortions caused by Wednesday's make up day for commercial banks.

The December Euro-dollar price opened at 90.16 up from 90.13 and reached a high of 90.19 before finishing at 90.18.

Gilt prices moved a little erratically after a firmer start, surviving several unsuccessful attempts to effect a sell off. Prices did dip after exhaustion of the short tap but rallied on a slight recovery by sterling. The December price opened at 108-13 and fell to a low of 108-06 before coming back to finish at 108-12 compared with Tuesday's close of 108-09.

Short sterling prices finished on a slightly firmer note despite Monday's money supply figures with the market unwilling to base projections on one set of figures. The March price opened at 90.53 up from 90.52 and finished at 90.56.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	90.18	90.19	90.11	90.13
March	89.77	89.78	89.72	89.71
June	89.45	89.46	89.40	89.38
Sept	89.20	89.20	89.15	89.11
Dec	88.93	—	—	88.84

Volume 2,295 (1,301)
Previous day's open int. 8,185 (8,104)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.85	90.85	90.81	90.81
March	90.56	90.56	90.51	90.52
June	90.29	90.29	90.24	90.24
Sept	89.97	89.97	89.95	89.95
Dec	—	—	—	89.65

Volume 703 (941)
Previous day's open int. 5,802 (5,728)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	108-12	108-13	108-06	108-09
March	107-28	107-30	107-23	107-25
June	107-15	—	—	107-13
Sept	107-03	—	—	[illegible]
Dec	106-22	—	—	[illegible]

Volume 3,076 (2,682)
Previous day's open int. 3,225 (3,170)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 4 to 14 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.4860	1.4865	1.4832	1.4848
March	1.4885	1.4885	1.4853	1.4873
June	1.4915	1.4915	1.4884	1.4906

Volume 682 (411)
Previous day's open int. 1,566 (1,232)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3760	0.3760	0.3748	[illegible]
March	0.3795	0.3795	0.3787	[illegible]
June	[illegible]	—	—	[illegible]

Volume 46 (69)
Previous day's open int. 472 (447)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4635	0.4638	0.4633	0.4627
March	0.4703	—	—	0.4694
June	0.4768	—	—	0.4759

Volume 8 (nil)
Previous day's open int. 128 (125)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4256	0.4256	0.4250	0.4250
March	0.4290	—	—	0.4288
June	0.4331	—	—	0.4322

Volume 16 (15)
Previous day's open int. 180 (157)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	70-08	70-14	70-05	70-07
March	69-22	69-27	69-19	69-20
June	69-06	69-09	69-02	69-02
Sept	68-23	68-25	68-20	68-19
Dec	68-10	68-11	68-07	68-07
March	67-31	68-00	67-28	67-29
June	—	—	—	67-20
Sept	—	—	—	67-12
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.00	91.04	90.97	91.00
March	90.54	90.57	90.50	90.54
June	90.26	90.29	90.25	90.24
Sept	—	90.05	90.01	90.00
Dec	89.79	89.84	89.78	89.76
March	89.59	89.60	89.58	89.55
June	89.39	89.38	—	89.35
Sept	—	89.17	—	89.16

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.36	90.39	90.34	90.36
March	89.81	89.85	89.81	89.81
June	—	89.50	89.45	89.45
Sept	89.15	89.20	89.15	89.15
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—
Sept	75.70	—	—	75.30

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	89.88	89.91	89.85	89.87
March	89.44	89.47	89.43	89.42
June	89.12	89.15	89.12	89.10
Sept	88.83	88.88	88.82	88.82
Dec	88.58	88.61	88.58	88.57
March	88.33	88.34	88.32	88.32

STERLING (IMM) Se per £

	Latest	High	Low	Prev
Dec	1.4880	1.4895	1.4840	1.4855
March	1.4920	1.4920	1.4870	1.4880
June	1.4910	1.4935	1.4910	1.4920
Sept	1.4930	1.4985	1.4930	1.4940
Dec	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	68-11
March	[illegible]	[illegible]	[illegible]	67-14
June	[illegible]	[illegible]	[illegible]	66-19
Sept	[illegible]	[illegible]	[illegible]	65-29
Dec	[illegible]	[illegible]	[illegible]	65-11
March	—	—	—	—
June	—	—	—	64-16
Sept	—	—	—	64-06
Dec	—	—	—	—
March	—	—	—	—

MONEY MARKETS

London rates steady

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

Interest rates were little changed in quiet London money market trading.

The Bank of England forecast a shortage of £250m in the morning, but at noon this was revised to £350m. Total help provided was £363m.

Before lunch the authorities bought £80m bills by way of £21m bank bills in band 2 (15-33 days) at 9 per cent; £4m bank bills in band 3 (34-63 days) at 8⅞ per cent; £23m Treasury bills in band 4 (64-91 days) at 7⅞ per cent; and £32m bank bills in band 4 at 8⅞ per cent.

In the afternoon the Bank of England purchased another £283m bills. These were £2m bank bills in band 1 (up to 14 days maturity) at 9¹⁄₁₆ per cent; £35m bank bills in band 2 at 9 per cent; £12m local authority bills in band 3 at 8⅞ per cent; £100m bank bills in band 3 at 8⅞ per cent; and £134m bank bills in band 4 at 8⅞ per cent.

Major factors influencing the market yesterday were: bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills draining £216m; Exchequer transactions absorbing £15m; and a rise in the note circulation of £80m.

In New York the Federal Reserve drained funds from the banking system by overnight matched sales when Federal funds were trading at 9¼ per cent.

In Frankfurt call money was quoted at 5.50-5.60 per cent, compared with 5.55-5.65 per cent on Tuesday following the addition of another DM 4.6bn from a securities repurchase agreement conducted by the Bundesbank. The allocation was in line with expectations, but the market will lose about DM 2.5bn today as one-week currency swaps expire. The continued supply of liquidity from the authorities helped to calm the market, which has been shaken by last week's SMH bank rescue.

In Amsterdam call money was bid at 5¾ per cent, compared with 5⅞ per cent, shortly before the Dutch central bank announced the size of its advance to the money market. The authorities allocated Fl 1.225bn to the market in the form of a special advance against a rate of 5¾ per cent. Allocations were made in full, effective from yesterday until November 16. The extra liquidity is added to an advance of Fl 3.864bn expiring on November 17.

LONDON MONEY RATES

Nov. 9 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	4-9⅝	9	—	—	7¾-9¼	4-9¹⁄₁₆	—	—	—
2 days notice	—	—	8¾-9	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9¼	—	—	—	—
7 days notice	—	9¹⁄₁₆-9⁵⁄₁₆	8⅞-9	—	—	—	9-9⅛	—	—	—
One month	9⅛-9⅛	9¹⁄₁₆-9¼	9⅛	9⅝-9⅜	9¼	9⅜	9	9¹⁄₃₂	9¹⁄₃₂	9⅜
Two months	9⅛-9⅛	9⅛-9⅛	9³⁄₁₆	9⅝-9⅛	9¼	9½	9	8⅞	8⅞	9⅜
Three months	9³⁄₁₆-9⅛	9³⁄₁₆-9⅝	9¼	9⅝-9⅜	9⅜	9½	9	8⅞-8⅞	8⅞	9⅜
Six months	9¼-9⅛	9⅝-9½	9⅜	9⅝-9⅛	9⅛	—	—	—	8⅞-8⅞	9⅜
Nine months	9⅜-9⅛	9⅛-9⅛	9⅜	9¾-9½	9⅜	—	—	—	—	—
One year	9⅜-9⅜	9⅝-9⅛	9⅝	9¾-9½	9¾	—	—	—	—	—
Two years	—	—	10⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average rate for interest period October 5 to November 1 1983 (inclusive) 9.392 per cent.

Local authorities and finance houses seven days notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10¾ per cent; four years 10⅞ per cent; five years 11 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 8²⁷⁄₃₂ per cent; four months trade bills 9⁷⁄₃₂ per cent.

Approximate selling rate for one-month Treasury bills 9 per cent; two months 8⅞-8²⁹⁄₃₂ per cent; three months 8²⁷⁄₃₂ per cent. Approximate selling rate for one-month bank bills 9 per cent; two months 8²⁹⁄₃₂-8¹⁵⁄₁₆ per cent and three month 8⅞ per cent; trade bills one month 9¹³⁄₃₂ per cent; two months 9⁷⁄₃₂ per cent and three months 9⁵⁄₃₂ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent from November 1 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 5½ per cent.

Treasury Bills: Average tender rates of discount 8.8322 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-months 9¾ per cent; six-12 months 10 per cent. Under £100,000 9¾ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 9	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9-9⅛	9-9⅛	9⅛-9¼	9¼-9⅜	9⁷⁄₁₆-9⁹⁄₁₆	9¹¹⁄₁₆-9¹³⁄₁₆
U.S. Dollar	9¼-9½	9⁷⁄₁₆-9⁹⁄₁₆	9⁷⁄₁₆-9¹¹⁄₁₆	9¾-10	9⅞-10⅛	10¼-10½
Can. Dollar	8¾-9½	9-9¾	9⁵⁄₁₆-9⁷⁄₁₆	9⁷⁄₁₆-9⁹⁄₁₆	9⁷⁄₁₆-9¹¹⁄₁₆	9¹¹⁄₁₆-9¹³⁄₁₆
D. Guilder	5¾-5⅞	5¾-5⅞	5⅞-6	6¹⁄₁₆-6³⁄₁₆	6¼-6⅜	6½-6⅝
S. Franc	1¾-1⅞	1¾-2	3¼-3⅜	3¹⁵⁄₁₆-4¹⁄₁₆	4⅛-4¼	4⁵⁄₁₆-4⁷⁄₁₆
Deutschm'rk	5⅝-5¾	5⅝-5¾	5⅝-5¾	5¹⁵⁄₁₆-6¹⁄₁₆	6¹⁄₁₆-6³⁄₁₆	6¼-6⅜
Fr'nch Franc	12¼-12½	12¼-12½	12¼-12½	13-13¼	14-14¼	14¾-15
Italian Lira	15¾-16¾	16¼-17¼	16⅝-17⅛	17-17½	17¾-18¼	18⅝-19
Belg. Franc						
Conv.	8⅛-9	8¼-8¾	8½-9	9¼-9¾	9¾-10¼	10¼-10¾
Fin.	8¼-8¾	8¾-9	8¾-9	9⅜-9⅝	9¾-10	10⅛-10⅜
Yen	5¾-5⅞	5⅞-6	6¹⁄₁₆-6³⁄₁₆	6⅜-6½	6⅝-6⅞	6½-6⅝
D. Krone	8⅞-9⅜	10⅛-10⅝	10¼-10¾	10⅞-11⅜	11⅛-11⅝	11-11½
Asia $ (Sing.)	9⁷⁄₁₆-9¹¹⁄₁₆	9⁷⁄₁₆-9¹¹⁄₁₆	9⅝-9¾	9⅞-10	10-10⅛	10⁵⁄₁₆-10⁷⁄₁₆

FT LONDON INTERBANK FIXING

11.00 a.m. NOVEMBER 9

3 month U.S. dollars		6 month U.S. dollars	
bid 9 7/8	offer 10	bid 10	offer 10 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	9¼
Treasury bills (13-week)	8.75
Treasury bills (26-week)	8.96

GERMANY

Lombard	5.5
Overnight rate	5.55
One month	5.7
Three months	6.25
Six months	6.25

FRANCE

Intervention rate	12.25
Overnight rate	12.625
One month	12.4375
Three months	12.4375
Six months	12.4375

JAPAN

Discount rate	5
Call (unconditional)	5.96875
Bill discount (3-month)	6.34375

SWITZERLAND

Discount rate	4
Overnight rate	[illegible]
One month	[illegible]
Three months	[illegible]

NETHERLANDS

Discount rate	5
Overnight rate	5¼-5⅜
One month	5⅞-6⅛
Three months	6⅛-6⅜
Six months	6¼-6½

$ CERTIFICATES OF DEPOSIT

One month	9.4-9.5
Three months	9.6-9.7
Six months	9.75-9.85
One year	10.05-10.25

LONG TERM EURO $

Two years	11¼-11½
Three years	11⅝-11⅞
Four years	11⅞-12⅛
Five years	12-12¼

SDR LINKED DEPOSITS

One month	8½-8⅞
Three months	8⅞-9¼
Six months	9-9⅜
One year	9⁵⁄₁₆-9¹¹⁄₁₆

ECU LINKED DEPOSITS

One month	[illegible]
Three months	[illegible]
Six months	[illegible]
One year	[illegible]

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INTERNATIONAL CAPITAL MARKETS

New rules on dealers drawn up by Japan

By Yoko Shibata in Tokyo

JAPAN'S Ministry of Finance has put forward a set of measures for liberalising the country's financial and capital markets, including approval for speculative dealing on the Tokyo foreign exchange market.

Mr Tomomitsu Oba, the vice-minister of finance for international affairs, is expected to explain those measures to Mr R. T. McNamar, the U.S. Deputy Treasury Secretary, later this week. Mr McNamar is accompanying President Ronald Reagan on his trip to Japan, which began yesterday.

The liberalisation of forward dealing in foreign exchange has been sought by many Japanese companies for some time. Under the present regulations, trading houses and exporters are only able to draw up forward contracts based on real demand as shown in contracts. That limitations will be abolished from December.

The Government has been limiting forward foreign exchange dealing so as to protect Japanese corporations from foreign exchange losses. Banks are exempt from this regulation but their contracts with non-residents for speculative purposes are restricted.

In order to counter foreign criticism over the closed nature of the country's financial and capital markets, as well as the strict regulations that govern them, the Government has decided to open up the markets in its latest economic package.

Measures taken include the establishment of a bankers' acceptance market, the end of the real demand principle for foreign exchange dealing, the issuing of government guaranteed bonds in the U.S. market, the issuing of national bonds in foreign markets and the liberalisation of property purchases for non-residents.

Big trading houses have led the campaign for the liberalisation. At a recent meeting of a committee considering the financial system, Mitsui joined Komatsu, Japan's leading construction equipment manufacturer, in urging reform.

The ministry does not believe that the opening up of the Tokyo market to speculative foreign exchange dealing will cause wild movements in the value of the yen and is confident that the currency can bear the weight of its moves towards internationalisation.

U.S. likely to sign new Dutch Antilles treaty

BY CHARLES BATCHELOR IN LONDON

THE Netherlands Antilles, an important Caribbean tax haven used for investment flows in and out of the U.S., is confident that tax treaty talks with the U.S. can be completed by the end of 1983.

The new treaty is expected to continue to allow U.S. issuers of Eurobonds to operate through the Antilles, saving them U.S. withholding tax.

Mr Harold Henriquez, the chief Antillean negotiator in Washington, said he was optimistic that it would be possible to reach agreement on all issues by the end of the year.

The Antilles has been negotiating with the U.S. Treasury for more than two years over revisions to the original treaty, which the U.S. authorities considered to be too generous to the islands. Treaties with other Caribbean tax havens have been ended by the U.S. in recent months.

Bank and trust company officials on the Antilles had been growing increasingly pessimistic earlier this year about prospects for a treaty on which much of the prosperity of the six Dutch owned islands depends.

Progress has been made in recent months and most of the provisions of a new treaty have been agreed in general terms, Mr Henriques said. Technical exchanges are now in progress to agree on the details.

The Antilles is expected to distinguish clearly between companies making legitimate use of the island as an international financial centre and those engaging in improper treaty shopping — rapidly moving business where it is most tax-advantageous.

The Antilles is also expected to be required to provide more information to the U.S. authorities and to expand its own powers to collect information from companies.

BHF Bank bond average

Nov 9		Previous
98.576		98.547
High	1983	Low
102.017		97.899

Issue rumours spur advance bond trading

By Mary Ann Sieghart in London

REPORTS abounded of new issues in the Eurodollar bond markets yesterday and grey market trading was active in bonds that had not officially been launched.

For instance, terms were revealed on an issue from the Spanish car maker, Sociedad Española de Automoviles de Turismo, not due to be launched for two weeks. The $100m, 10-year floating-rate note will pay ¼ point over the six-month London interbank offered rate at a price of par. The total front-end fees are 2¼ per cent and investors can redeem the bond at par after the seventh year. However, if they agree to waive that option after five and a half years, they will receive a one-off payment of ½ per cent.

Continental Illinois is leading the deal, with Arab Banking Corporation, Bank of Tokyo, Commerzbank and Samuel Montagu.

Due to be launched today is a C$50m Eurobond for City of Montreal. The seven-year issue will carry a 12 per cent coupon at par and is led by Société Générale. The pricing was generally considered by the market to be rather aggressive and the bond traded at a discount of up to 2 points.

Rumours are also rife of a floating-rate note for Saitama Bank, which should come out today. Lead manager will be Crédit Suisse First Boston.

The dollar secondary market was very quiet yesterday and prices edged up only fractionally.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for November 9.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Amex O/S Fin 10¼ 90	100	93¾	93⅝	+0⅛	−0¾	11.69
Australia Comm 11¼ 90	100	100	100½	+0⅛	0	11.19
Australia Comm 11½ 95	300	96⅛	96⅞	0	−0⅞	12.04
Australia Comm 11⅝ 98	100	96⅝	97⅛	+0⅛	−0¼	12.30
Bank of Tokyo 11 90	100	94⅝	95⅛	0	−0⅝	12.13
British Col Hyd 10¼ 88	200	95⅝	96⅛	0	−1	11.23
Britoil Fin 11⅞ 90	125	99⅝	100⅛	+0⅛	−0½	11.88
Canada 10⅞ 88	500	97⅞	98⅜	+0⅛	+0⅛	11.38
C.C.C.E. 11¾ 97	100	92⅞	93⅜	+0⅛	−0⅞	12.82
C.C.C.E. 12⅛ 95	75	98½	99	+0⅛	−0⅛	12.82
Can Imp Bk Com 11 90	75	92⅝	93⅛	+0⅛	−0¼	12.58
Chicorp O/S 10¼ 90	100	92⅛	92⅝	+0⅛	−1	12.10
Chicorp O/S 11¾ 90	100	97⅛	97⅝	+0⅛	−0½	12.32
Coca Cola Int 9⅞ 92	100	91⅜	91⅞	0	−0½	11.42
Cred Suisse BAH 10½ 90	150	98⅛	98⅝	0	−0⅛	10.84
Den Norsk Cred 11¼ 93	50	92⅝	93⅛	0	−0½	12.82
E.C.S.C. 11⅞ 98	75	98⅝	99¼	+0⅛	−1	12.07
E.D.F. 11¼ 93	100	92½	93	+0⅛	−0½	12.44
E.E.C. 11 87	350	98¼	98⅝	+0⅛	−0⅞	11.48
E.I.B. 10⅞ 93	200	91⅝	92⅛	+0⅛	−0⅝	12.21
E.I.B. 11 91	125	94⅝	95⅛	−0¼	−0⅞	12.00
E.I.B. 11⅞ 93	150	97⅝	98⅛	0	−0⅝	12.25
Electrolux 10½ 90	50	91¼	91¾	0	−0½	12.44
Esselte Fin 11⅝ 93	100	95⅝	96⅛	+0⅛	−0½	12.36
Fuji Int Fin 10⅞ 90	100	93⅛	93⅝	+0¼	−0½	12.38
Gen Elec Credit 9¾ 91	100	91¼	91¾	+0⅛	−0½	11.44
GMAC O/S Fin 10½ 90	200	96⅛	96⅝	0	−1	11.32
GMAC O/S Fin 11⅞ 90	100	99⅝	99⅞	0	−0½	11.61
Honeywell Int 10¾ 90	100	96⅝	97⅛	−0⅞	−1	11.48
Indust Bk Japan 10⅞ 88	100	96⅝	97⅛	+0⅛	−0⅝	11.77
Japan Air Lines 10⅞ 88	42	92⅜	92⅞	0	−0½	11.85
Japan Air Lines 11 93	75	95	95½	+0⅛	−0⅝	11.83
J.C. Penney 11⅞ 90	100	100⅝	100⅞	+0⅛	+0⅛	11.73
[illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Australia 8⅛ 92	15	105½	106⅛	0	+0⅛	7.37

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cnv. date — First date for conversion into shares. Cnv. price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.